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FLORIDA PUBLIC SERVICE COMMISSION

Annual Report
1987

Katie Nichols, Chairman
Thomas M. Beard, Commissioner
Gerald L. Gunter, Commissioner
John T. Herndon, Commissioner
Michael Wilson, Commissioner

Florida Public Service Commission

Annual Report

1987

Copies of this report can be obtained from the Florida Public Service Commission, Public Information Office, 101 E. Gaines Street, Tallahassee, Florida 32399-0867.

Florida Public Service Commission

Information Directory

As a government agency whose operations directly affect the public, the Florida Public Service Commission welcomes your requests for information on matters in which you have a concern. Inquiries may be made by letter to the address below, or by telephone.

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The Commissioners

THOMAS M. BEARD

Commissioner Beard was appointed by Governor Bob Martinez in 1987 to serve the remainder of Commissioner John Marks' term, which expires January 1990. Before his appointment, Commissioner Beard was the personnel manager for Clay Electric Cooperative. Beard, who has a master's degree in education from the University of Florida, was a science teacher, dean of students and then assistant principal for the Putnam County school system before going to work for the electric cooperative in 1979. He serves on NARUC's Committee on Administration.

GERALD L. GUNTER

Commissioner Gunter was appointed by Governor Reuben Askew and took office in January, 1979. He was appointed by Governor Graham to a four-year term beginning January, 1987. Gunter has a master's degree in management from Florida State University and is a former city councilman of Titusville. He serves as vice chairman of NARUC's Finance and Technology Committee.

JOHN T. HERNDON

Commissioner Herndon was appointed by Governor Graham and took office in January, 1986. He was reappointed by Governor Graham to a four-year term beginning January, 1987. Prior to his appointment to the commission, Commissioner Herndon served in the Governor's office as chief of planning and budgeting, and then as chief of staff. Herndon has a master's degree in social work from Florida State University, and in 1983, he was selected as Outstanding Public Administrator, an award presented by the American Society of Public Administrators. He serves on NARUC's Committee on Water.

KATIE NICHOLS

Commissioner Nichols was selected by commissioners in 1986 to serve a two-year term as chairman, beginning January, 1987. She was appointed by Governor Bob Graham for a four-year term beginning in January, 1981, and was reappointed for a term beginning January 1985. For several years prior to her appointment to the PSC, Nichols studied utility regulation and attended meetings and hearings of the commission. At present, she serves on the National Association of Regulatory Commissioners (NARUC) Committee on Communications. Chairman Nichols was a State Board Member for Energy for the League of Woman Voters of Florida and received the Distinguished Service Award from the Florida Commission on Human Relations in 1977.

MICHAEL WILSON

Commissioner Wilson was appointed by Governor Graham in July, 1985, and was reappointed to a four-year term beginning in January, 1986. Wilson is an attorney and formerly was Deputy Public Counsel with the Office of the Public Counsel. He is a member of NARUC's Committee on Electricity and NARUC's Subcommittees on Nuclear Waste Disposal and Nuclear Issues. He recently was selected a member of the Harvard Utility Forum, a group of industry executives and government policy makers formed under the auspices of the Energy and Environmental Policy Center of Harvard University.

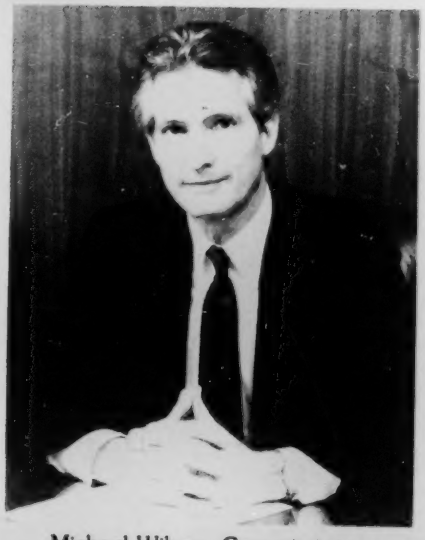
Florida Public Service Commission

Thomas M. Beard, Commissioner

Gerald L. Gunter, Commissioner

Katie Nichols, Chairman

John T. Herndon, Commissioner



Michael Wilson, Commissioner

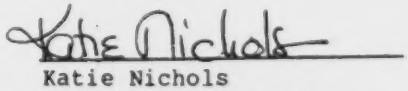
Katie Nichols, Chairman

A Message From The Chairman

The Greek philosopher, Heraclitus, once observed, "There is nothing permanent except change." And few statements since have more accurately described the nature of today's regulatory environment, in which changes and reforms are constantly ongoing. The stock market fluctuates; oil prices rise and fall; businesses reorganize -- all of which impacts the various utility companies that operate in the State of Florida under the regulatory aegis of Florida's Public Service Commission.

The PSC's task, then, is to sift through the myriad of complicated utility requests and proposals to make sure that any changes in rate-making or structure are equitable and fair to all -- both to the consumers of the State of Florida and to the utility companies, while assuring that Florida consumers receive reliable services at the lowest possible rates. Rapid changes in technology and other competitive pressures on the telephone and electric utility companies, along with a growing move toward deregulation nationwide, makes the PSC's task especially difficult, but extremely essential.

Consistent with the concurrent increase in activity these changes have wrought and the understandable public concern, the PSC's docket has reflected both an increase in case load and in complexity in the 1986-87 period covered in this report. In coming years, the PSC will be faced with even greater regulatory challenges to ensure that any and all changes are in keeping with the best interest of all -- consumers, utility companies, and the State of Florida. This document is concerned with where we've been, and, where we're trying to go.



Katie Nichols
Chairman, Florida's
Public Service Commission

Maintaining the Balance

The work of the Florida Public Service Commission is a balancing act. Under Florida law the commission regulates every investor-owned utility in the state, assuring adequate service and fixing just, reasonable, and sufficient rates.

The Florida Public Service Commission consists of five members selected for their knowledge and experience in one or more fields substantially related to the duties and functions of the commission. These fields include economics, accounting, engineering, finance, natural resource conservation, energy, public affairs or law.

The governor appoints a commissioner from the nominees selected by the Public Service Commission Nominating Council. Commissioners also must be confirmed by the Florida Senate, and they serve a four-year term.

The Florida Public Service Commission was created by the legislature in 1887 and was then called the Florida Railroad Commission. The primary purpose of the board was the regulation of railroad passenger and freight rates and operations.

As Florida progressed, it was necessary for the commission to expand. In 1911 the Legislature conferred on the commission the responsibility of regulating telephone and telegraph companies. In 1951, jurisdiction was extended to regulate electric utility rates and service.

In the past, three commissioners were elected in a statewide election. The 1978 Legislature adopted a bill changing the commission to a five-member appointed board.

The commission has quasi-legislative and quasi-judicial as well as executive powers and duties. In its quasi-legislative capacity, the commission sets rates and makes rules governing utility operations. In a quasi-judicial manner the commission hears and decides complaints, issues written orders similar to court orders, and may have its decisions appealed only to the Florida Supreme Court. As an executive agency, the commission enforces state laws affecting the utility industries.

The commission oversees the intrastate operations of investor-owned utilities -- electric, gas, water, and telecommunications. During 1987, the commission regulated 14 local exchange companies, 90 long-distance (interexchange) telephone companies, and more than 1,100 pay telephone providers. Additionally, the commission regulated six investor-owned electric companies, 14 investor-owned gas utilities and more than 725 water and waste-water systems.

The commission does not regulate publicly owned, municipal, or cooperative utilities. However, it has rate structure jurisdiction over 33 cities and 18 rural electric cooperatives.

Florida's Public Service Commission has 364 authorized positions and an annual budget of about $16.3 million.

How Rates Are Set

The Public Service Commission has the responsibility to set rates which are fair and reasonable. It is also required to set rates to allow utility investors an opportunity to earn a reasonable return on their investment. Whenever a gas, electric, telephone, or water company wants to change its rates, it must come before the PSC for permission. The PSC then investigates its request and sets new rate levels if the request is valid. The investigation is extensive, with many PSC staff members helping the commission assess the company's request.

PUBLIC INPUT: The PSC always starts its investigation by holding a hearing within the utility's service area, so the commissioners can hear from the public. Customers may comment or ask questions on the proposed rates or make any other statements relating to the utility's operations. The Public Counsel, who represents customers, is also present at these hearings.

TECHNICAL HEARINGS: Later, hearings similar to courtroom proceedings are held in Tallahassee, in which evidence from company and other parties in the case is heard. Testimony and evidence is presented by expert witnesses in support of each viewpoint represented. Witnesses are cross-examined by the company, intervenors, staff, and the Public Counsel's office. This information is important to the commission when it evaluates company requests.

COMMISSION DECISIONS: After all evidence is presented, the five-member commission reviews the record that has been developed and issues a decision. The policy decision it makes will determine the level of rates the company will be permitted to collect.

The utility is required to justify all of its expenses for the operations of the utility. An expense which the commission determines is improper or unnecessary is disallowed and is excluded from the amount the utility is allowed to collect from customers.

The commission also looks at the amount utility stockholders have invested in plants and other facilities and allows a reasonable return on the investment necessary to provide good service.

Rates are calculated to produce the amount needed for the approved expenses plus the authorized return. Since expenses which the commission considered imprudent or unnecessary are not included in the revenue requirement, the utility has the opportunity to achieve the authorized return only if management eliminates the unnecessary expenses and operates efficiently. There is no guarantee that the authorized return will be achieved.

Once the final order is issued, the commission's decision can be appealed to the State's appellate court system.

Florida's Public Service Commission in 1987

The emphasis of Florida's Public Service Commission actions in 1987 continued to shift from reviewing utility rate increase requests to pursuing refunds and rate reductions.

The commission's Communications Division remained busy throughout 1987. Although there were no traditional rate cases, there were a significant number of earnings investigations. Agreements worked out with various parties resulted in reduced rates to customers of Quincy, Gulf, General, United, Centel, and AT&T. Access charge reductions were made by Alltel, Centel, Florala, Gulf, Indiantown, Northeast, Quincy, St. Joe, Southern Bell, and Vista-United.

There were several tariff filings which were of particular interest during 1987. In June, the commission approved Southern Bell's filing for its CLUB (Customized Large User Bill) Tariff. This CLUB Tariff offers to large users the ability to customize their bill for easier internal analysis.

In July, the commission approved Southern Bell's filing for Ringmaster Tariff. This tariff allows three telephone numbers, each with a distinctive ring, per line. The Ringmaster offering was a new tariff offering and the commission included in its approval a set of banded rates within which Southern bell can change the rate for Ringmaster service on 30-days notice.

In addition to Florida concerns, the commission closely monitored Federal Communications Commission activities which could impact Florida telephone ratepayers. As a part of that monitoring process, the commission filed comments with the FCC on several of its dockets. In March, the commission filed comments on Florida's policy concerning the use of WATS Lines for jurisdictionally pure service.

During 1987, the Department of Justice conducted its first triennial review of the Modified Final Judgment (MFJ). In April, the Public Service Commission filed comments with the court in response to proposals made by the Department of Justice on what charges should be made in the MFJ restrictions on lines of business which the Bell operating companies could enter. During the oral argument phase of these proceedings, PSC Commissioner Michael Wilson argued concerning information services. Following the Court's decision to allow Bell operating companies to provide information transmission (but not content), the commission filed comments in November concerning implementation of that offering of information transmission.

In October, the commission filed comments on an FCC proposal to regulate AT&T and other dominant carriers by setting price caps. Also in October, the commission filed comments on telephone company/cable television cross-ownership rules. In November, the commission filed comments on a General Telephone Company's interstate tariff filing for a service known as Preferred Switch Access (PSA).

Almost all of these issues, both state and federal, will continue to impact the commission in 1988.

The Electric & Gas Division also did not have any traditional rate cases on the electric side. In the largest electric utility rate cut in state history, however, the Public Service Commission unanimously approved a $140 million rate reduction for Florida Power Corporation customers in 1988.

The commission also investigated several major generating outages at Florida Power Corporation's Crystal River Nuclear Plant and voted against requiring Florida Power Corporation to refund about $45 million in higher electric bills caused by the outages at the plant. The five commissioners voted unanimously that Florida Power was not imprudent and that the outages in 1986 and 1987 were unavoidable.

The Commission in 1987 (con't.)

The electric division's fuel section was busy as several companies made revisions to long-term fuels contracts and continued their efforts to ensure all companies are properly measuring and purchasing the lowest cost compliance fuel possible.

The gas section developed a gas cost-of-service methodology to allocate costs among gas rate classes, completed two gas rate cases, Central Florida and South Florida Natural Gas. Additionally, the Bureau resolved the pipeline welding issue for Peoples Gas and reached stipulated settlements on return on equity for 1987 and 1988.

The majority of the commission's work in 1987 involved cogeneration issues, from the annual need hearing to various tests of proposed self-service wheeling, to the terms and conditions of wheeling, and an attempt to define retail sales.

In the area of water and sewer, the commission succeeded in establishing a good working relationship with the Department of Environmental Regulation, the five water management districts, and the county health departments. In the past, environmental regulation and economic regulation appeared to wander down parallel paths. Now the customers' concerns about quality and cost can be considered jointly.

In the upcoming year, the commission will continue to work on determining the proper treatment of contributions-in-aid-of-construction now that it is taxable income. More and more concerns about water quantity, quality, and cost will occupy the commission in 1988.

More detailed information on these changes and on other actions of the commission in 1987 are provided in the other sections of this report.

Executive Director — David Swafford

The Executive Director is, essentially, the chief of staff of the Commission with general responsibility over the technical and administrative operations of the Commission. He coordinates the activities of the divisions, is responsible for the implementation of Commission policies, and makes recommendations for the development and articulation of policy questions. The Executive Director coordinates inter-agency and legislative liaison, and consults with and advises the Commission on economic and governmental matters.

The office includes two Deputy Executive Directors.

William Talbott is Deputy Executive Director over the technical divisions, including Communications, Electric and Gas, Water and Sewer, Auditing and Financial Analysis, and Research.

Jay McGlon is Deputy Executive Director over the Administration, Consumer Affairs, Records and Reporting, and Information Processing Divisions.

This division of executive duties helps to facilitate the flow and efficiency of the Commission's workload, as well as providing the proper direction and leadership for the staff. Legislative liaison work is also done by the executive director.

General Counsel

The office of the General Counsel is responsible for the legal functions of the Commission. There are two areas of responsibility, the Division of Appeals and the Division of Legal Services.

Division of Auditing & Financial Analysis

Tim Devlin, Director

The Division of Auditing and Financial Analysis serves as the principal advisor to the Commission on matters pertaining to taxes, capital recovery and finance; performs audits and issues reports on regulated utilities. Of the 65 staff members in the division, 14 possess CPA certificates, 7 have MBAs, 3 have MA or MS degrees, and 54 have BA or BS degrees.

Bureau of Tax

With the changing tax laws, the Bureau of Tax worked closely with the Department of Revenue to resolve questions the utilities raised regarding the sales tax on service. The Bureau also worked with the Department of the Treasury and the Internal Revenue Service to resolve questions raised because of the taxation of contributions-in-aid-of-construction, to further define the application of the interest synchronization adjustment, and on regulations regarding the treatment of nuclear decommissioning costs.

The Bureau also participated with two utilities in conferences with the Internal Revenue Service and with six companies in preparing requests for rulings from the Internal Revenue Service. The response may provide a means to avoid the unnecessary taxation for some utilities.

Staff members participated in 30 rate cases, 17 over-earnings investigations, 4 other investigative dockets, several generic studies, projects and task forces, 11 rule dockets, and customer question/complaints resolutions and tariff matters.

Audit Section

The Audit Section maintained a busy schedule in 1987. The audit manual was completely revised, and the Audit Section continued to develop the trend towards full automation. Florida auditors supported the NARUC Team Audit of Bellcore with two computer software applications. Microcomputer software developed by a staff economist was used to analyze and identify Financial Statement items for further investigation, and mainframe audit software was used to prepare a statistical sampling plan and randomly select purchase and payroll vouchers from company electronic files for audit substantive tests.

In another area, selected field staff became experts in coal inventory problems and had a key role in company initiations to improve coal handling procedures. During 1987, the audit staff engineers, EDP audit specialists and economists completed 36 electric, 35 gas, 7 telephone, and 42 water and sewer audits.

Bureau of Depreciation

The Bureau of Depreciation finalized rules for retirement units for electric utilities and will recommend subcategorization rules in 1988. Staff members also finalized telephone retirement units and revised subcategorization rules in accordance with technological developments and the new Uniform System of Accounts. Additionally, the Bureau reviewed depreciation study rules for electric, gas and telephone utilities. Also, they finalized the depreciation study for Florida Power & Light and closed the depreciation study for Reedy Creek when the company was transferred to an

unregulated cooperative. The Bureau's depreciation study for Florida Power Corporation was postponed according to the Occidental stipulation, and staff members are still working on the study for Tampa Electric Company.

Two gas utilities having depreciation studies finalized were Gainesville Gas and Central Florida Gas, and the Bureau also finalized depreciation studies for five telephone companies (Alltel, Gulf, Indiantown, St. Joe and Vista), as well as special petitions from General and United; the AT&T study was held in abeyance pending a decision on the question on forebearance.

As a result of depreciation reviews, the Bureau began research on (1) variances in practices among the gas companies in connection with overhead in construction projects, treatment of inactive service lines and costs of removal of service lines, as well as (2) dismantlement costs of fossil fuel generating plants and electric companies' salvage practices.

Bureau of Management Studies

During 1987, the Bureau of Management Studies presented to the commission a completed management review of Florida Power & Light Company containing 94 recommendations representing about $13 million in company savings. The Bureau also completed the review and analysis of a comprehensive audit of Southern States Water & Sewer Utilities, Inc.

Additionally, the Bureau developed the Small Utility Audit Program (SUAP), a computerized auditing system tailored to increase productivity of the commission's management analysts. This enhanced productivity is accomplished through the use of generic survey and work plans geared toward identifying potential areas for improvement commonly found in any small utility.

The Bureau conducted a review and analysis on a cross sectional review focusing on the use and need for outside and professional services by regulated utility companies and developed and produced a computerized data base containing all findings and recommendations generated as a result of management reviews completed by the Florida Public Service Commission.

Bureau of Finance

The Bureau of Finance provided cost of equity testimony in two gas cases and in Florida Power Corporation's rate case and provided capital structure/cost of capital testimony in United Telephone Long Distance Company's petition for resellers certificate. Also, they provided the commissioners and division directors with quarterly reports on common equity cost rates for use in the surveillance of utility company earnings.

Additionally, the Bureau completed a financial integrity model for the water and sewer industry which determines how much construction-work-in-progress should be allowed in rate base to maintain the company's financial integrity and also instituted a report which reviews the financing activities of the electric utilities on a quarterly basis.

Division of Communications

Walter D'Haeseleer, Director

The Division of Communications is responsible for providing information and making recommendations to the Commissioners on matters concerning telecommunications. In addition, the Division provides telecommunications information and assistance to members of the general public as well as other governmental bodies and the press. Telecommunications companies currently (as of March 1, 1988) regulated by the Public Service Commission include 14 local exchange telephone companies, 86 long distance interexchange telephone companies, 1,132 competitive pay telephone service providers and 24 shared tenant services.

Rate Cases and Over-earnings Reviews

During 1987, the division did not participate in any traditional rate cases, but it did review a significant amount of earnings investigations. Agreements worked out with various parties resulted in reduced rates to customers of Quincy, Gulf, Central, General, United and AT&T. Three companies had money placed subject to refund (Quincy, $155,592; Gulf, $70,832; and AT&T, $1,292,000).

General Telephone Company reduced access charges by $15.6 million as well as reducing zone charges by $1.5 million and making a one-time depreciation adjustment. United Telephone Company of Florida reduced access charges by $10.1 million and also made a one-time depreciation adjustment.

Central Telephone Company made refunds on two different occasions during the year. A $5.9 million refund and a one-time depreciation adjustment to rate base were made for 1985 over-earnings and an $11.6 million refund and a $7.5 million refund were made for 1986 and 1987 over-earnings respectively. In addition, Centel made a permanent reduction of $15 million.

Finally, an investigation into St. Joseph Telephone and Telegraph Company's earnings was closed with the finding that the company was not over-earning for the year 1985.

Access Charge Reduction

On December 15, 1986, the Public Service Commission held a Special Agenda and adopted a plan to reduce intrastate access charge rates. The Commission's Proposed Agency Action (PAA) Order required those rates to be reduced in 1987. AT&T was also ordered to reduce its long distance rates to reflect its reduced costs from the reduction in access charges.

Access charge reductions were made as follows:

ALLTEL	$ 744,996
Centel	3,609,016
Florala	9,908
General	13,859,420
Gulf	139,152
Indiantown	18,220
Northeast	60,797
Quincy	205,705
St. Joe	298,052
Southern Bell	31,113,227
United	10,099,636
Vista-United	117,181

As a result of the access reductions made during the year, AT&T reduced toll rates on two occasions: on February 1, 1987 by 6.4 percent, and again in May by 4.2 percent. An anticipated third rate reduction, on October 1, 1987, was too small to pass on in toll rate reductions, so the $1 million was placed under bond subject to refund.

Tariff Activity

There were several tariff filings, of particular interest, during the year of 1987. In June, the Commission approved Southern Bell's filing for its Customized Large User Bill (CLUB) tariff. This CLUB tariff offers to large users the ability to customize their bill for easier internal analysis.

In July, the Commission approved Southern Bell's filing for Ringmaster tariff. This tariff allows three telephone numbers, each with a distinctive ring, per line. The Ringmaster offering was a new tariff offering, and the Commission included in its approval a set of banded rates within which Southern Bell can change the rate for Ringmaster service on thirty (30) days notice.

Also, in July, the Commission gave final approval to the previously authorized 1.5 percent late payment charge which Southern Bell implemented in mid-1986. Since then, St. Joe, Alltel and General have requested, and have been granted, authority to assess a late payment charge.

In August, the Commission approved Southern Bell's Limited Service Offering (LSO) tariff. LSO authorizes Southern Bell to file experimental tariffs with banded rates in limited geographic areas. Southern Bell has filed two LSOs since this approval and both are repackages of previously offered services.

For the year of 1987, the Division of Communications handled 362 tariff copy requests for a total of 15,702 tariff pages.

Pricing Flexibility

The discussion of tariffs identifies limited areas where the Commission permitted banded rates during 1987. At the November 3rd Agenda Conference, the Commission considered United Telephone Company's petition for pricing flexibility and a 2-year earnings monitoring plan. At the Agenda, however, the Commission denied United's petition because it lacked any specific details concerning implementation. The Commission is currently waiting to determine if United will file an amended petition.

In November 1987, the staff opened a docket to explore alternatives to the current regulation; in terms of both price and earnings, for local exchange companies. The purpose of this docket is to determine how, within the current statutory framework and other current market conditions, the local exchange companies might better be ready to deal with today's more competitive marketplace, while balancing against their continuing monopoly of the local network. Hearings for this are set for October 10-14, 1988.

Then on January 13, 1988, Southern Bell filed a comprehensive petition requesting pricing flexibility and the sharing of earnings (50/50) above a 15% return on equity, together with substantial rate decreases. General Telephone filed a similar proposal on January 28, 1988, proposing a LATA-wide toll discount plan and earnings sharing above a 15.5% return on equity (ROE). Proposals to consolidate or coordinate these dockets with the LEC regulatory flexibility docket have been made. The Commission will spend a lot of time and thought on these dockets in 1988.

Service Evaluation Activity

The Commission continued extensive service evaluations. During 1987, the Communications staff completed service evaluations of three LECs: Southern Bell (Miami), United (Avon Park), and St. Joseph (Port St. Joe). Staff also evaluated 20 interexchange carriers. About 435,000 test calls were made to measure call completions, answer time,

billing accuracy, and the availability of directory listings.

Jurisdictional traffic studies of interexchange carrier traffic resulted in about $4,259,658 in increased intrastate access charge revenue through December, 1987.

In addition, 3,092 pay telephones were evaluated for compliance with the Commission's service standards.

Extended Area Service

During 1987, the Commission ordered 17 toll alternative plans, (16 Toll-Pac and 1 Threshold Plan) to be instituted. Of those, 14 were implemented in 1987.

GENERIC INVESTIGATIONS, RULES AND OTHER ITEMS OF INTEREST

Nontraffic Sensitive Costs (NTS)

In 1986, the Commission opened Docket No. 860894 to explore the appropriate level of recovery of nontraffic sensitive costs (NTS) from access services. Several workshops were held during the year and hearings were held August 14-17, 1987. At a Special Agenda Conference on December 3-4, the Commission granted authority to each of the 14 LECs to file individually for intrastate access charges. Prior to this decision, the access charges approved by the Commission for long-distance companies applied equally to all LECs. In its decision, the Commission encouraged, but did not require, the LECs to reduce their access charges to long-distance providers. Commissioners said a reduction of 50 cents per line per month would be a good starting point, but left the amount of proposed reductions, if any, up to the individual company.

Hearings took place during March 16 and 17, 1988 in Docket No. 860984 (NTS-Phase II) to consider appropriate rate mechanisms for recovering NTS and to lay out guidelines for companies wishing to file company-specific access rates.

LEC Toll Bill and Keep

The LEC Toll docket (850310) was opened in 1985 to develop a plan to implement bill and keep for intraLATA LEC toll and private line. Hearings were held in March 1986 and March 1987 and at the May 28, 1987 Agenda Conference, the Commission approved a bill and keep plan for implementation beginning January 1, 1988.

Alternative Operator Services (AOS)

Staff began a review of the activities in Florida of a number of companies offering AOS which is a new telecommunications industry. A workshop was held and in addition test calls were made.

Based on the information developed and consumer complaints received, Docket No. 871394-TP was opened. The Commission affirmed that several of its existing requirements should apply to AOS and additionally set for hearing a number of remaining issues including whether AOS is in the public interest. The hearing is scheduled for August 9-12, 1988.

Cellular

As more players have become involved in the docket concerning how cellular carriers will connect with the local network, the issues have become more complex. At issue are:

What rates will cellular carriers pay the LECs? What technical parameters must LECs provide for interconnection? How, if at all, do cellular carriers fall under the Commission's jurisdiction, especially insofar as toll monopoly areas go? This docket is scheduled for hearing June 27-July 1, 1988.

Bijurisdictional WATS

U.S. Sprint petitioned the Commission regarding whether WATS dedicated access lines could be used for both interstate and intrastate WATS. The issues revolve around jurisdictional concerns and revenue losses to the LECs. This docket is scheduled for hearing August 24-26, 1988.

Pay Telephone Service Providers (PATS)

A stipulation as to rates charged by LECs to privately-owned PATS providers was reached and approved by the Commission in early 1987, with the new rates beginning to be implemented in July, 1987. These are experimental for a year, and the Commission will revisit this issue in hearings during September 8-9, 1988.

Access Charges

In an attempt to clean up and dispose of the remaining issues relating to access charges by LECs to interexchange companies, a series of three workshops have been scheduled in the fall of 1988. Among issues to be decided are phasing out the discount in the absence of a bona fide request for equal access, charging access charges to resellers, and a host of other issues.

Detariffing of Billing and Collection

On January 1, 1987, the FCC deregulated interstate billing and collection, saying that this was a competitive service. In January 1988, Southland Telephone Company requested that its intrastate billing and collection service be detariffed (rates not published but revenues and expenses above the line). The Commission granted Southland's request on an interim basis and opened a docket to look at this as a generic issue. Three workshops, concurrent with the access charge workshops in the fall, are scheduled.

Packet Switching

In response to Southern Bell's tariff filing on packet switching, the Commissioners set hearing dates of September 23-24, 1988 to deal with issues relating to protocol conversion, jurisdictional authority, and equal access to the packet switching by non-LEC information providers.

Key Shared Tenant Services (STS)

At the October 20, 1987 Agenda, the Commission found that Key System Sharing (like PBX sharing) is shared tenant services (STS). The Commission also found that key system STS is in the public interest and that it would serve the public interest to exempt six or fewer lines from tariff filing requirements as well as the requirement to pay the message rate tariff to the LEC. LECs notified targeted customers that certification may be required. A deadline for receiving applications was set for March 7, 1988.

Bellcore Audit

The Florida Public Service Commission (FPSC) staff was part of a team effort with other state Commissioners to investigate Bellcore. The team reviewed Bellcore to determine if investment in Bellcore by the owners is justified. A draft report of their findings has been written; a finalized version will be presented to NARUC.

Commission Telephone System

The Commission installed a new key telephone system with an April 1987 cutover date. The "music on hold" feature was converted to allow transmission of the signal from the public address system in the Commission's Hearing room through the speakers on the Commission telephones. On an ongoing basis new features will be reviewed and installed as appropriate.

The Electric and Gas Division is responsible for providing technical information, advice and assistance in the accounting, engineering and rate areas regarding the regulation of the electric and gas industries. The division is responsible in informal proceedings for analysis of testimony and exhibits, developing cross-examination and direct testimony, and preparing recommendations concerning the disposition of electric and gas matters.

Electric Utility Rate Level Regulation

The most significant event affecting electric utility rate level regulation occurred at the end of 1987. On December 21, 1987, the Commission accepted a stipulation, between Florida Power Corporation (FPC) and the other parties, that settled the rate case that was scheduled for hearings beginning January 11, 1988.

In FPC's initial filing, a permanent rate reduction of $61.7 million was offered. As a result of the stipulation, however, a permanent rate decrease of $121.5 million became effective on January 1, 1988. In addition, so-called "unprotected" excess deferred taxes in the amount of $18.5 million are being credited back to the ratepayer during 1988. In total, rates are being reduced $140 million below what would have been the permanent base rates in effect on January 1, 1988, after the expiration of the $54 million one-time credit for 1987 arising from a prior stipulation.

Other important aspects of the stipulation are:

1) A return on equity of 12.60% will be used to compute any interim rate increases;

2) A return on equity of 13.60% will be used for evaluating any show cause proceedings or for interim rate decrease purposes;

3) A return on equity of 13.75% will be used for AFUDC and affiliate transactions purposes; and

4) The Parties and FPC agree to neither initiate nor support any action before the Commission that would cause FPC's base rates to be altered prior to January 1, 1989.

The Federal Tax Reform Act decreased the top corporate income tax rate from 46% to 34%, effective July 1, 1987. For the year 1987, the effective rate was 39.95% which represents a blend of the two rates. The Act also repealed the investment tax credit, introduced a new depreciation system, the Modified Accelerated Cost Recovery System, and introduced a new corporate Alternative Minimum Tax.

During 1987, the Commission adopted electric returns on equity to be used to determine the amount of any tax savings that would be refunded to the ratepayers. The returns on equity to be utilized are as follows:

Utility	Return on Equity		
	Authorized	1987	1988
Florida Power & Light Co.	15.60%	13.60%	13.60%
Florida Public Utilities Co.			
Fernandina Beach	--	13.70%	13.70%
Marianna	13.25%	13.25%	13.25%
Gulf Power Company	15.60%	13.60%	13.75%
Tampa Electric Company	14.50%	13.60%	13.60%

In addition to agreeing to a lower than authorized return on equity for tax savings purposes during 1988, FPL, GPC and TECO also agreed to the following:

1) Use of the lower returns on equity for AFUDC purposes during 1988;
2) Use of the lower returns on equity for surveillance report purposes, show cause proceedings and holding earnings subject to refund on a prospective basis; and
3) Agreed not to file for either interim or permanent base rate increases designed tc become effective prior to January 1, 1989.

In another significant event affecting electric utilities, Reedy Creek Utilities Company, Inc. transferred its electric utility assets and operations to the Reedy Creek Improvement District on October 1, 1987. This transfer reduced the number of regulated investor-owned electric utilities from six to five. In the future, the Reedy Creek Improvement District electric operations will be treated as a municipal electric system, subject to the same Commission regulation as a municipality.

Natural Gas Utility Rate Level Regulation

Two gas utility rate cases were completed during 1987, one of which is before the Supreme Court on appeal. A limited scope proceeding was acted upon for one utility, making changes in the company's rates without changing the overall revenue requirements. Two utilities had test years approved late in 1987. Their cases will be filed in January and February, 1988.

Summary information on completed rate cases follows:

	South Florida	Central Florida
Amount Requested	$343,414	$1,412,944
Amount Granted	$ 49,542	$1,235,420
Authorized Rate of Return	13.23%	13.9%

During 1987, the Commission adopted gas returns on equity to be used to determine the amount of tax that would be refunded to the ratepayers. The returns on equity to be utilized are as follows:

Utility	Authorized	Return on Equity 1987	1988
Central Florida Gas	*16.00%	13.70%	13.70%
City Gas	15.75%	13.70%	13.70%
Florida Public	14.50%	13.70%	13.70%
Gainesville Gas	15.75%	13.70%	13.70%
Miller Gas	15.75%	13.70%	13.70%
Palm Beach County	16.25%	13.70%	13.70%
Peoples Gas System	14.25%	13.70%	13.70%
Southern Gas	15.75%	13.70%	13.70%
St. Joe Natural Gas	16.00%	13.70%	13.70%

*Prior to rate case

Fuel and Purchased Power Cost Recovery Dockets

Fuel cost recovery proceedings continue to be held twice a year. Eight special investigations were started in 1987 to allow detailed study of fuel cost, fuel transportation costs and increased costs caused by unscheduled plant outages.

In addition, Gulf Power Company terminated two long-term coal contracts with western suppliers for its Plant Daniel generating unit early in 1987. Gulf Power bought out the remaining nine years of the contracts and will replace them with less expensive suppliers. Gulf Power will recover the costs associated with the buy out through the fuel clause. The ratepayer will realize a reduction in fuel costs because the cost of the replacement coal plus the amortized buy out cost is less than the cost of western coal.

The contract buy out trend continued as Tampa Electric Company terminated two high priced contracts with Pyramid Coal Company late in the year. The Commission will review TECO's buy out decision in January 1988.

Conservation Cost Recovery Clauses

During the latter months of 1985, FPSC Staff conducted an audit of conservation costs recovered by City Gas Company during the Company's participation in the Energy Conservation Cost Recovery (ECCR) Program. The audit identified costs totaling $248,963 incorrectly recovered through the Clause. City Gas Company agreed to refund these dollars plus accrued interest of $96,874 through the Purchased Gas Adjustment True-up in effect for October 1, 1986 through March 31, 1987.

Energy Broker

The Energy Broker and the Expanded Broker systems continue to provide tremendous savings to Florida's ratepayers. The total annual savings for 1987 through July exceeded $34 million. Since inception of the Energy Broker in 1978 and the Expanded Broker in 1982, fuel savings have been:

Energy Broker Savings

Year	Energy Broker	Expanded Broker	Total
1978	$ 16,502,000	-	$ 16,502,000
1979	22,195,000	-	22,195,000
1980	43,251,000	-	43,251,000
1981	62,164,000	-	62,164,000
1982	64,154,000	$ 4,450,000	68,604,000
1983	55,614,000	14,177,000	69,791,000
1984	44,892,000	9,941,000	54,833,000
1985	60,433,000	16,857,000	77,290,000
1986	24,832,000	13,000,000	37,832,000
1987*	23,857,000	10,300,000	34,157,000
Total	$417,894,000	$68,725,000	$486,619,000

*through July 1987

The Energy Broker was an early "spin off" from the Central Dispatch Study initiated in 1977 by the FPSC in conjunction with the Florida Electric Coordinating Group. The Energy Broker, a computerized system, lists each utility's fuel cost for the next hour which allows the high-cost utility to purchase power from the low-cost utility. The utilities share the savings in a manner that reduces overall costs, both individually and collectively. This original Florida concept has received national attention and has been awarded a U.S. Department of Energy Certificate of Appreciation.

The Expanded Broker has extended the idea of an hour-by-hour broker operation to include peninsular unit commitment scheduling for periods of up to seven days.

Annual Planning Hearings

Pursuant to Chapter 403, Florida Statutes, the Commission is charged with the responsibility for determining the need for power plants proposed to be constructed by electric utilities in Florida. Considering only individual power plant applications does not provide the Commission with an adequate statewide perspective of the need for additional generation and transmission facilities. As an improvement to this process, the Commission initiated hearings on load forecasts, generation expansion planning studies and cogeneration prices. In 1985, the Public Service Commission changed the previous Conservation Planning (Demand Side) and Annual Planning (Supply Side) Workshops to a single Annual Planning Hearing. A more formalized process of a hearing instead of workshops is necessary for the Commission to adequately address the increasingly complex conservation and cogeneration issues that have an impact on coordinated statewide planning.

The Public hearings were held on January 12-14, 1987, at which time the Commission heard testimony from 23 witnesses and FPSC staff. Order No. 17480 presented the Commission's findings:

1. The designated statewide avoided unit is a 500 MW baseload coal unit with an in-service date of January 1, 1995.
2. A seventy percent capacity factor is adopted for computation of capacity payments to qualifying facilities
3. Subscription to standard offer cogeneration contracts should be limited to the number of megawatts upon which the offers are based. Thus, the subscription limit associated with the 1995 avoided unit is set at 500 MW.

The Commission ordered that the next planning hearing be held in 1989, with work plans to be filed by the utilities by December 1, 1987. Testimony was presented at hearing that more than a year's period of time is needed to prepare and evaluate the complex forecast studies and generation expansion plans which are the basis of the statewide avoided unit decision. A biennial planning hearing will allow the preparation of a sound statewide generation expansion plan as well as afford all interested parties an ample opportunity to conduct meaningful discovery on those studies once complete.

Cogeneration

In 1986, the Commission revised its rules on wheeling which relays power from a cogenerator to another utility. The PSC agreed that the Federal Energy Regulatory Commission had primary authority to set rates for wheeling, but also asserted that the PSC had jurisdiction over the terms and conditions of wheeling.

The PSC decided two important wheeling cases in 1987. In the W. R. Grace declaratory statement case, Grace, TECO and Staff, with the concurrence of the Commission, stipulated that Rule 25-17.0882, Self-Service Wheeling (SSW), contains the following three-prong test: (1) A retail customer wishes to transmit power produced at one location to another location owned by the customer; (2) Provision of transmission service and the charges, terms and other conditions associated with the provision of this service are not likely to result in higher cost electric service to the utility's general body of retail and wholesale customers; and (3) Provision of transmission service and the charges, terms and other conditions associated with the provision of this service are not likely to adversely affect the adequacy or reliability of electric service to all customers.

Grace argued that compelling TECO to provide SSW transmission service would lessen the revenue loss the utility's ratepayers would ultimately suffer should Grace build its own transmission facilities to serve its own load 11 miles distant from its generators. The Commission denied Grace's request, and found that it had failed the second prong of the test. SSW that confers no benefit, but simply mitigates a revenue loss that it has itself induced is not cost-effective to the general body of ratepayers. The Rule was not intended to, nor does it, require the provision of SSW where the QF itself is the sole beneficiary of its exercise. The rule requires the provision of SSW only when there is a net benefit, or at least no loss, to a utility's general body of ratepayers that would not be present if the QF was not serving its load at a noncontiguous location.

Metropolitan Dade County petitioned the Commission to request that FPL wheel power from a QF located in the County's Downtown Government Center to the county's facilities at the Jackson Memorial Hospital/Civic Center complex and other County locations. In this case, the Commission found that Dade County failed the first prong of the test. It determined that the QF was jointly owned by the County and a limited partnership of other entities and was thus not the same entity or customer as the county, which was to receive the electrical power. The proposed transaction was therefore not SSW, and the Commission declined to order FPL to provide the transmission service.

On July 20, 1987, the Federal Energy Regulatory Commission (FERC) granted Florida Power and Light Company's (FPL) Petition for Declaratory Order and asserted their exclusive jurisdiction over setting the rates, terms, and conditions for wheeling by investor-owned utilities of QF power which occurs in interstate commerce. The Public Service Commission has appealed the Declaratory Order and anticipates the joinder of the National Association of Regulatory Utility Commissioners as well as other state commissions in this appeal. The Commission's rules on wheeling are inconsistent with FERC's declaratory order. However, the Commission successfully defended an appeal by FPL of its state authority over terms and conditions of wheeling.

Florida Gas Transmission Expansion

The Commission Staff has been active in intervention before the FERC in Florida Gas Transmission Company's (FGT) plans for expansion of its system. FERC authority has been granted for Phase I of the expansion, which will increase capacity from 735,000 Mcf/day to 835,000 Mcfd. Phase II has reached the stage of a proposed settlement, with agreement and support of all parties. If approved by the FERC, Phase II will authorize expansion of the FGT system by an additional 100,000 Mcfd of capacity. The Phase II proposed settlement also makes firm transportation service available for the first time to all FGT's customers.

Sunshine Natural Gas System (Proposed)

American Natural Resources (ANR), one of the nation's largest pipeline operators, has filed a request with the FERC for authorization to build an undersea pipeline to Florida. If approved, the Sunshine Natural Gas System would bring natural gas from processing facilities near Mobile, Alabama to various points in south Florida. Landfall of the proposed pipeline would be in Pasco County, near the Anclote Plant of Florida Power Corporation. It would there loop around east of Tampa Bay, passing the Florida Power & Light Company Manatee Plant, and then cross the state just north of Lake Okechobee, and terminate at or near the Florida Power & Light Company's Martin Plant. Capacity of the proposed thirty-inch pipeline is 450,000 Mcfd. All gas would be customer-owned gas moving under transportation contracts, with no plans for system sales gas. The pipeline, if operated as proposed, will not be jurisdictional to the Florida Public Service Commission. Target completion is 1991.

Natural Gas Flex Rates

Flex rates allow natural gas utilities to reduce their rate to interruptible customers below the regular interruptible tariff rate, down to the point at which all fuel costs and the variable non-fuel costs are covered. The distribution company absorbs the reduction in revenues without cost to the rest of the ratepayers. Through this year of tumbling, chaotic pricing of fuel oil, use of flex rates for the Contract Interruptible Customers has made it possible for several utilities to keep high usage customers on line making at least a partial contribution to fixed costs and covering all variable costs. Three companies, using flex rates, have discounted 65,392,887 therms of gas, absorbing revenue deficiencies of $1,771,559 during 1987.

Appliance Efficiency Standards

Legislation that would establish minimum efficiency standards for a range of household appliances was passed by the Florida legislature and signed by the Governor in July, 1987. The Florida Energy Conservation Standards Act (Ch. 87-271, Laws of Florida) charges the Department of Community Affairs with adopting and/or modifying these standards for new appliances sold in the State of Florida after January 1, 1988 for showerheads; January 1, 1989 for lighting equipment; and January 1, 1993 for refrigerators, freezers. The FPSC will evaluate the effectiveness of the standards on energy efficiency in the state and report the findings to the Governor and Legislature biennially.

Loan Programs

The loan guarantee program allows the Florida Public Service Commission to use up to $5 million of Regulatory Trust Fund monies to guarantee loans made by utilities or financial institutions to customers who purchase and install approved cost-effective energy conservation measures.

A. Loan Guarantee Programs

Three utilities have been approved for and are participating in the loan guarantee program. Under this program, the FPSC is required to maintain reserves equal to 5 percent of the outstanding principal loan balances.

Following is a summary of the FPSC Utility Loan Guarantee Program as of June 30, 1987:

Number of loans	3,533
Amount of loans made to date	$8,194,019
Amount of loans repaid	$4,559,217
Amount of defaulted loans	$ 20,561
Principal outstanding balance	$3,614,241

B. Energy Conservation Loan Test Program

Modeled after the successful Loan Guarantee Program, the Energy Conservation Loan Test Program (ECLTP) is designed to promote additional energy conservation in Florida. The Florida Public Service Commission by Order No. 16539 issued on September 3, 1986, initiated the loan test program. This program is designed to provide a guarantee and subsidy of loans by financial institutions to owners or occupants in order to encourage retrofitting of existing housing to improve the efficiency of energy usage.

The test program will operate within a defined geographic area for a period of two years. Investor owned, municipal and cooperative electric and gas utilities are eligible to adopt the test program and coordinate with financial institutions to promote and make loans to utility customers. Financial institutions may participate in the test program via an approved utility program and receive from the Commission a 4% interest subsidy and guarantee of loans covered by the program.

Gulf Power Corporation, Florida Public Utilities, Tampa Electric Company and Florida Power Corporation, Gainesville Regional Utilities, Lakeland Electric and Water, and the City of Tallahassee Utilities have been approved to participate in the ECLTP. Participating financial institutions have been approved to loan $11,325,000 for residential conservation measure.

Standby Rates

Standby service includes backup, maintenance and supplemental service. After a series of workshops and a formal hearing, the Commission determined that backup and maintenance power service are to be taken on a single standby service rate and that supplemental power is to be taken under the otherwise applicable full requirements rate. Utilities must offer both firm and interruptible service for backup, maintenance and supplemental power. The rates for firm backup and maintenance power consist of a reservation charge, a time-of-use daily demand charge, an energy charge and a local facilities or distribution demand charge.

Standby tariffs were filed and

approved in 1987 pursuant to the Commission's vote in all issues in this docket.

Gas Safety

In 1987, 36 written notifications of gas safety violations were issued. These notifications cited 85 rule violations ranging from the unqualified joining of plastic pipe, to the failure to have adequate over-pressure protection. All violations have been corrected, or are scheduled for correction pursuant to the Commission's Standard Operating Procedures for enforcement of safety rule violations. The safety evaluations covered eighty-three gas systems and 15,273 miles of gas mains and approximately 469,200 natural gas customers.

Outside force damage (pipelines cut or damaged by others engaged in construction activities) to natural gas pipelines continues to be a problem in Florida, as well as the rest of the country. Florida currently has major one-call centers in Tampa, Orlando, and Miami areas. There is currently a one-call center proposed for Jacksonville in 1988. If past history holds true, the number of outside force damage incidents should decline when the new one-call center goes on line.

The number of natural gas accidents and outside force incidents significant enough to meet the reporting requirements of the Commission since 1980 are shown in the table below.

Electric Safety

The Bureau of Electric Safety was established in August 1986 pursuant to legislation enacted July 1, 1986. The Bureau is composed of the Bureau Chief, three engineering supervisors, seven engineers, and a secretary. The last engineer position was filled in January.

The Commission rule implementing

Natural Gas Accidents

Year	No. of Systems Reporting Accidents	No. of Incidents	No. of Injuries	No. of Fatalities	Outside Force
1980	12	17	6	6	13
1981	13	29	36	1	14
1982	12	29	12	2	11
1983	5	20	8	0	14
1984	8	18	1	0	14
1985	12	25	3	2	17
1986	7	16	2	0	14
1987	8	16	5	2	13

the 1986 legislation became effective in August 1987. In March 1987 the electric utilities began reporting their completed Transmission and Distribution work order numbers of work that was completed after July, 1986. A total of 5,792 inspections have been completed on random sampled numbers from the 141,428 work order numbers processed this year. New construction (completed after July 1, 1986) accounted for 751 variances from the National Electric Safety Code. In addition, 503 code variances found on old construction were reported to utilities for corrective action.

On May 1, 1987 two engineers were transferred from the Bureau of Systems Planning and Conservation to the Bureau of Electric Safety along with territorial and other Sub-Transmission and Distribution issues.

Electric Contact Injuries

The following is a report of public electric contact injuries from 1981 through 1987.

			Construction Related		Non-Construction Related	
Year	Injury	Fatality	Injury	Fatality	Injury	Fatality
1981	72	16	46	9	25	7
1982	38	18	14	7	24	11
1983	31	17	11	6	20	11
1984	26	20	14	7	12	13
1985	35	17	17	3	18	14
1986	35	15	10	10	25	5
1987*	51	22	8	6	43	16

*On facilities constructed after July 1, 1986, there was 1 construction related incident consisting of 1 injury and no fatalities, and 2 non-construction related incidents consisting of 7 injuries and no fatalities.

Division of Research

Mary Bane, Director

The Research Division is responsible for preparation of studies of policy alternatives; research to determine trends and conditions affecting public utility operations and regulations; and studies on rate elasticity, productivity, finance and demand projections.

The division has three major functions: preparation of research studies, provision of technical support, and provision of information services.

Research Projects

During 1986-87, the division worked with the Division of Communications to review the current local exchange company pricing methods and prepared a report on cellular telephone systems. In addition, the division completed a primer on utility pension funds and conducted a study of leveraged buyouts of regulated companies to identify the impacts of such takeovers and to establish standard criteria to evaluate the impacts on ratepayers. These materials were used subsequently by other divisions and by the commission in assessing appropriate regulatory actions.

The division also continued work on reports concerning the use and feasibility of contributions-in-aid-of-construction, a study of alternatives to rate of return regulation, development of a system for evaluating performance of electric utilities, and a study of the optimal size water and sewer plant.

Technical Support

Preparation of economic impact statements for proposed rules continued to occupy a significant portion of staff's time. Research staff prepared 31 economic impact statements, ranging from rules on conservation goals for natural gas to those governing information services by telephone utilities to the hearing-speech impaired.

Information Services

The division produced various publications of operational and statistical information, including a statistical report on the electric utility industry and publications of comparative statistics for the telephone and electric industries. All of the reports are updated annually to incorporate current information.

Division of Water & Sewer

Charles H. Hill, Director

It is the responsibility of the Water & Sewer Division to enforce the statutes and commission rules and regulations governing the operations of privately-owned water and sewer utility systems in the 33 counties subject to Public Service Commission regulation. The division is primarily involved with certification of utilities and areas of service as well as regulation of rates and quality of service.

During 1986-87, the Water & Sewer Division handled 41 file and suspend rate cases, 38 staff-assisted rate cases, an additional seven test year approvals, nine over-earnings cases, 83 price indexes, and 31 pass-throughs; it also processed 265 annual report filings and approved 254 tariffs. In addition, the division revised the commission's water and sewer minimum filing requirements and reached stipulations with the major water and sewer utilities on rate of return to be used in applying the commission's tax rule.

The Division continued to wrestle with the problems caused by the Tax Reform Act of 1986, particularly the change in law that made contributions-in-aid-of-construction (CIAC) subject to income tax. The commission will continue to determine the proper treatment of CIAC.

Water and Sewer Division staff members attended several national and regional water reuse seminars and symposiums during 1987 and, it is inevitable that reuse of treated waste water is the trend of the near future, even in Florida. Along that line, engineering staff recommendations for rate cases will require more sewer utilities to pursue a system for treating and using their effluent as spray irrigation for golf courses, highway rights-of-way, etc. This reuse of effluent may become a revenue producer instead of the present expense of effluent disposal.

Division of Administration

James A. Ward, Director

The Division of Administration has overall responsibilities throughout the commission in areas of internal administration, including accounting, personnel, budgeting, planning, training, purchasing, overseeing commission-owned automobiles, duplicating, distributing mail and leasing office space and equipment.

Bureau of Budget, Training and Resource Management

The commission replaced its worn and partially obsolete telephone system with a modern up-to-date Tie II Business Communication System. The Bureau handled the installation and subsequent training of staff which was completed in April 1987.

An extensive training program continued throughout Calendar Year 1987, with approximately 20,000 hours of classroom instruction being given to PSC employees. Classes encompassed such subjects as: Supervisory Management, Personnel Rules and Regulations, Performance Evaluations, The Use of Microcomputers and Related Software Applications, Time Management, Business Writing, Telephone Communications, and Professional Presentations.

In addition, workshops and seminars related to the technical aspects of utility regulation and cross-training between divisions and disciplines were attended by a number of employees.

The Legislative Budget Request for the second year of the Biennium (Fiscal Year 1988-89) was updated and submitted to the Executive Office of the Governor on October 30, 1987. The submission primarily contained continuation costs, with modest increases for workload and inflationary increases.

Bureau of General Support Services

Notable activities during 1987, in which the Bureau was instrumentally involved, were the recarpeting of the entire second floor of the Fletcher Building, the installation of a new Kodak duplicating machine in the print shop to replace very old and unreliable equipment, the purchase of several new cars to replace older ones and to complete the fleet for the Electric Safety Bureau, the completion of installation of the new telephone equipment, and some improvements to the sound system, along with some repairs of seating and carpeting, in the large hearing room.

Among the year's major purchasing activities was the acquisition of various components of a networking system that will ultimately link all of the Commission's microcomputers and word processing work stations.

Bureau of Personnel

Effective February 1, 1987, the Senior Management Service positions within the Commission were reduced from 53 to 15 as a result of the establishment of the Selected Exempt Service. The Selected Professional Service was abolished on this date and all Attorney and Senior Attorney positions were placed in the Selected Exempt Service, along with all Bureau Chief, Assistant to Commissioner, Executive Secretary - PSC, Hearing Reporter, Personal Secretary II, and Personal Secretary I positions; a total of 65.

The Immigration Reform and Control Act of 1986, which became effective on

November 7, 1986, makes it unlawful for the Public Service Commission or any employer to employ aliens not authorized to work in the United States and requires the employer to have each new employee complete an Employment Eligibility Verification form (Form I-9). These forms were not available until June 1, 1987; however, the Bureau of Personnel was required to have the form completed by all employees hired between November 7, 1986 and June 1, 1987. All new employees are now required to complete Form I-9. Employers failing to comply with the Act shall be subject to civil penalties as prescribed.

Beginning in June 1987, the Bureau of Personnel began providing a new service to Commission employees, i.e., making arrangements through a local travel agency for airline and rental car reservations which are charged and billed directly to the Commission. Employees desiring to utilize this service have two options available to them: (1) To identify in advance, the flight desired and have the Bureau of Personnel make the reservation; or (2) To select a preferred flight schedule from those identified by Personnel's staff. Since June 20, this reservation service has been used by 24 employees.

A total of 1,615 personnel actions were processed through COPES.

During 1987, a total of 102 vacancies were advertised by Job Opportunity Announcements. Of these positions, 69 were professional and 33 were clerical.

The Commission's sick leave pool continues to grow, increasing by 21 new members to a total of 247 members, with a total of 2,136 hours. We are pleased to report that there still has been no withdrawal of sick leave credits from the pool.

The Comptroller's Office implemented a new W-4 system this year, which changed the responsibility of each agency. In lieu of just reporting the W-4 information to the Comptroller, we now have full responsibility for the input on W-4 cards and updating of all data on that card. This system is much more efficient and accurate and allows a speedier turn-around time on processing changes for the employee.

For additional workload figures of the Bureau of Fiscal Services, Bureau of General Support Services, and Bureau of Personnel, please see page 43.

Division of Consumer Affairs

George Hanna, Director

The Consumer Affairs Division has the primary responsibility for consumer relations and communications. This involves investigating and resolving consumer complaints, issuing news releases concerning commission decisions and studies, preparing statistical summaries and consumer complaint activity, developing educational presentations for consumer and civic organizations, preparing testimony for rate cases on complaint activity, and participating in or initiating other dockets on consumer matters.

The Division of Consumer Affairs received 51,367 complaints from customers during 1987, up 4 percent from the 49,465 complaints handled in 1986. Of these complaints, 6,412 were logged against regulated utilities and investigated. Included in the total complaint activity are 1,313 letters to which division personnel responded with information to consumers about commission activities and regulations.

Savings to customers as a result of Consumer Affairs action on complaints passed the million dollar mark in 1987. A total of $1,223,536 has been refunded to customers or credited to their accounts as a result of Consumer Affairs action on complaints during the five years this figure has been tracked. The 1987 savings were $364,847, with $103,933 of this amount going to electric customers and $221,958 for telephone customers.

Tampa Electric Company complaints increased 26 percent over 1986, while total electric utilities' complaints in Florida decreased 13 percent.

Complaints against Central Telephone Company (Tallahassee) increased 18 percent over 1986, and the company continues to be plagued with service-related complaints, while Florida's telephone industry complaints increased only 1 percent.

In the gas industry, People's Gas had the highest percentage increase in complaints, 24 percent Consumer complaints against all Florida natural gas companies were up 26 percent.

In 1987, the number of logged complaints was down slightly from the 6,605 complaints logged in 1986. The reduction in logged complaints to 6,412 was mainly the result of fewer complaints against Florida Power & Light Company, Florida Power Corporation, and Gulf Power Company. Consumer Affairs logged 276 fewer electric complaints in 1987.

The division continued its telephone training program for new employees. Nineteen employees spent 89 days in Consumer Affairs responding to customer complaints.

Division of Information Processing

Margaret Perry, Director

The Division of Information Processing is responsible for the coordination of the computer, word processing, and data requirements of the Commission. The division provides technical support to the Commission staff in developing, selecting, and maintaining computerized applications, software, microcomputer systems, and word processing systems and provides training for the Commission staff in their use.

The 1987 year was very productive in the information processing area, with the installation of the microcomputer network and subsequent connection to the WANG network taking first place in importance.

The availability of both word processing stations and microcomputers to the staff increased - there are now about 55 WANG stations and 70 micros in house and some 30 micros in the field - most of them portables for on-site audit purposes. All 5 small WANG OIS systems have been upgraded to Model 60's so they can support 8 WANG work stations each. Each floor has been equipped with at least one WANG laser printer and one microcomputer network printer.

The micro network has made several programming tools available to the Commission staff - Foxbase, the Brief program editor, etc. as well as the option to share an application such as the Commission Utility Directory. All the latest information - contact person, interested parties, phone numbers, addresses, etc. is available on-line for inquiry and generation of reports, labels, and envelopes. Several programs important at the Division level use the network to access other applications; the Regulatory Assessment Fee system in Administration, the Tariff Filing Information System in Communications, and the Water & Sewer Directory System all access the Commission Directory database through the network. The network also makes possible the sharing of spreadsheet files, databases, and word processing documents in order to increase the productivity of the staff and enhance the accuracy of communications within the Commission.

The Commission's new WANG VS not only ties together all the micros and the WANG stations, but provides additional functions such as electronic mail and calendaring. As more stations become available for use these functions will increase even more in value. It also makes the use of WANG word processing an option from any microcomputer which simplifies transfer of documents from one party to another and means staff only has to train on one software package.

As the number and capacity of the micros has increased there has been less usage of outside data services such as FSUCC, but the use of other services such as WESTLAW, PHINET, Compuserve, etc. has grown as more research data has become available on them. The micro network assures users access to these services from any station. Additional applications still remaining on FSUCC are scheduled for transfer to micros this coming year, the Event Tracking System being a prime example.

Division of Records & Reporting

Steve Tribble, Director

The Division of Records and Reporting receives and processes all formal matters filed with the Commission and keeps the official records of the Commission. The Division maintains permanent record books, records the minutes and formal decisions of the Commission, maintains records of all pending proceedings, prepares and issues notices of all hearings, arranges hearing sites, serves all orders, and prepares the agendas for Commission Conferences.

The Division also coordinates the Commission's Records Management program, maintains confidential document files and controls, publishes supplements to the Commission's Rules, maintains the Central Directory of Utilities, and performs the function of Case Manager by maintaining records of case schedules and monitoring compliance with those schedules.

Activity was steady in the Division throughout 1987. Nearly 12,000 documents were received and processed during the year; of that number 1,440 were assigned new docket numbers. The Division issued 1,624 orders and 165 notices, and processed 1,401 dockets to completion. 2,609 Case Assignment and Scheduling Records were reviewed and forwarded to the Chairman for approval. At year's end, 585 dockets remained in active status.

The Division also prepared the agendas for and attended 25 regular Commission Conferences and 5 special conferences in 1987, and arranged hearing locations for 91 hearings during the year. The Division's hearing reporters prepared and filed 27,790 pages of transcripts of those hearings.

During the year, further progress was made toward implementation of the computerized Case Management Information System, which will provide for storage and retrieval of pertinent docket information throughout the Commission. A security file system was established, to provide safe storage of copies of documents at the Division of Archives' Records Center, and allow active files to be rebuilt should original copies be damaged or destroyed. The Division also continued work on updating its Internal Procedures Manual which, when complete, will provide background information and instructions for performing the varied tasks of the Division.

Division of Appeals

Susan Clark, Director

The General Counsel's Appeals Division has responsibility for providing indirect legal services and advice to the commissioners. It prepares notices, recommendations and orders; attends hearings; represents the Commission before state and federal courts; promulgates rules and regulations; and acts as inter-agency and legislative liaison in cooperation with the executive director. The Division also provides legal services and advice to the Division of Administration on personnel, contractual and other administrative matters.

The Division of Appeals record for 1987 was 16 and 1. Of the 17 appeals closed, eleven were affirmed, three were voluntarily dismissed, one was involuntarily dismissed, one petition for review was denied, and one was reversed. The water and sewer industry had nine of these cases. The telecommunications contributed five, electric industry had two, and gas industry one.

Fourteen cases were opened during 1987. Eight of these came from the water and sewer industry, four from the electric industry, and one each from telecommunications and gas.

At the close of 1987, there are eight pending appeals. Four of these are from electric, two are water and sewer, and telephone and gas each contribute one.

Federal Liaison

The Commission was active in the Federal Energy Regulatory Commission's (FERC) proceedings in 1987. The Commission intervened in four FERC proceedings involving Florida Gas Transmission. These cases involve certificate applications for expansion of its system. Four separate two-day settlement conferences were held at FERC offices in Washington, D.C. In November, an offer of settlement and stipulation and agreement was submitted. It is being considered.

Terms and conditions for wheeling for qualifying facilities was the subject of a declaratory statement filed by Florida Power and Light. The PSC intervened. In its response, FERC claimed jurisdiction. The case is on appeal in U.S. Circuit Court. The other FERC proceedings in which the PSC intervened were inquiries concerning small power producers and independent power producers.

For the last ten years, Congress has been discussing acid rain. In 1987, 12 different legislative proposals on acid rain were filed. The Commission staff is continually evaluating the different proposals and calculating the potential impact. Additionally, staff has made presentations at NARUC on acid rain and will continue to monitor developments.

The repeal of section 118(b) of the Internal Revenue Code (which provided an exemption for contributions-in-aid-of-construction from income tax) has spurred a lobbying effort by the PSC. These efforts are supported through Florida sponsored NARUC resolutions.

Expenditures of funds for nuclear waste programs is a matter of concern for the Commission. Working in conjunction with NARUC, various types of audits of the Department of Defense spending have been discussed.

The proposed federal legislation on appliance standards was supported by the Commission and became law.

The Commission again supported NARUC's objection to the Department of Defense's proposed rule which would require acquisition of utility service competitively by contract, disregarding any state approved franchise territory.

This year in telecommunications at the national level brought the court-mandated triennial review of the Modified Final Judgement which divested the local exchange companies from the Bell System. The Commission took an active role in this proceeding, with Commissioner Wilson presenting an oral argument in Federal District Court before Judge Greene. Commissioner Wilson's oral argument, and comments submitted by the Commission, supported lifting the line of business restrictions on the Bell operating companies to allow them to provide information services. This Commission also filed comments, in response to the Court's request, as to how such a transport system should operate. Judge Greene's decision has been appealed and this Commission will participate in that appellate proceeding.

Confidential Information

Requests for confidential treatment of documents or information has steadily increased over the past year. A portion of this increase is a direct result of the increase in competitive services being offered by telecommunications providers. Many requests were based, and granted, on established confidentiality standards. However, many requests also raised new issues, such as confidentiality of authorized rates.

Division of Legal Services

Roger Howe, Director

The Division of Legal Services provides direct legal services and represents the staff in proceedings before the commission, and the Commission itself in proceedings before the Division of Administrative Hearings or state or federal courts.

Communications Bureau

1987 was a productive year for the Communications Bureau of the Division of Legal Services. Major issues addressed included implementation of shared tenant services (STS), restructuring of intrastate long distance and access charges, a refund by a local exchange company and the first application by a local exchange to provide long distance service though a separate subsidiary. The 1986 Legislature enacted Section 364.339, Florida Statutes, which required the Commission to determine by January 15, 1987 whether STS was in the public interest. In Order No. 17111, the Commission found STS to be in the public interest -- if certain conditions were met. The Order also addressed other types of shared local telephone service such as dormitories, nursing homes and airports. The Commission certificated a number of entities to provide STS and allowed most other existing shared local service to continue.

In 1987, the Commission continued development and implementation of its access charge plan. The Commission completed Phase I of its investigation into nontraffic-sensitive (NTS) cost recovery. The most significant feature of this portion of the NTS proceedings was the Commission's decision to allow each of the local exchange companies to set company-specific NTS revenue recovery levels. This is a major departure from the Commission's previous policy of maintaining uniform access charge rate levels for all local exchange companies. In a related proceeding, the Commission also adopted an access-charge-based plan for billing and keeping local exchange company toll revenues. The implementation of bill-and-keep for LEC toll revenue on January 1, 1988, will complete the transition of the LECs from the previous pooling system. In addition, the Commission also approved AT&T Communications of the Southern States, Inc.'s long-awaited restructuring of its interLATA Channel Services Tariff. This tariff overhauls the rates on ATT-C's interLATA private services.

Central Telephone Company of Florida made Commission-approved refunds to its customers of $26,542,000 of 1986 and interim 1987 overearnings. The Commission ordered the company to make both permanent rate reductions and additional customer refunds. Residential and business rates were lowered by the company to implement a $15,000,000 reduction in annual earnings. For 1987 and 1988 earnings, the company will refund any over-earnings above rates of return on equity of 13.25% and 13.75%, respectively. For all other purposes, the Commission established the company's rate of return on equity within a range of 11.75% to 13.75% with a midpoint of 12.75%

United Telephone Long Distance, a local exchange company serving over 800,000 customers throughout central and south Florida, was given Commission approval to enter the long distance market through a separate subsidiary, United Telephone Long Distance (UTLD). UTLD intends to carry only interLATA traffic within UTS's territory through the resale of US Sprint's services. US Sprint is a facilities-based carrier owned in part

by United Telecommunications, Inc., the parent company of UTF.

Electric & Gas Bureau

In 1987, there were several key developments in Electric and Gas, the most notable of which were rate cases involving Florida Power Corporation (FPC), Central Florida Gas Company (CFGC), and South Florida Natural Gas Company (SFNGC). Early on, however, the Commission dealt with the issue of tax savings derived from the Federal Tax Reform Act of 1986 (TRA). The Commission approved a Stipulation and Proposed Settlement filed by Tampa Electric Company (TECO), Florida Power and Light Company (FPL), and Gulf Power Company (Gulf) which, as modified, offered to substitute an equity midpoint of 13.6% for the then authorized returns of 15.6% for FPL and Gulf, and 14.5% for TECO (Order No. 17126; Docket No. 861145-PU). Similar proposals were approved for the regulated natural gas companies. Peoples Gas Company (PGS) agreed to credit its customers' rates and to reduce its equity midpoint to 13.7% (Order No. 17317; Docket No. 861145-PU). The remaining gas companies quickly followed the lead of PGS in reducing their respective equity midpoints to 13.7% (Order No. 17381; Docket No. 861145-PU).

A formal revenue proceeding initiated by Occidental Chemical Corporation against FPC was finalized by a Commission-approved stipulation of the parties. The Stipulation called for a total revenue reduction of $140 million, coupled with a reduction of FPC's equity return from 15.55% to a floor of 12.6% and a ceiling of 13.6%. The agreement also entailed measures dealing with the tax savings derived from the TRA (Order No. 19091; Docket No. 870220-EI).

Two natural gas rate cases were finalized in 1987. SFNGC was granted a permanent revenue increase of $49,542 (order No. 17933; Docket No. 860341-GU). CFNGC was granted a permanent revenue increase of $1.2 million. The increase entailed an increase of $700,000 over the test year and $300,000 for the attrition year (Docket No. 870118-GU).

The fuel cost/generating performance docket was again influenced by the decrease in oil prices and the attendant fall in coal prices, with significant over-recoveries experienced by most companies. GPIF adjustments were rejected for unplanned outages at FPC's Crystal River Units 1 and 2. Also, GPIF rewards and penalities were capped at 50% of the fuel savings or loss. Costs associated with Gulf's buy-out of high-priced coal contacts were allowed into the calculation of its fuel recovery factor. However, the reasonableness of the allocation of those costs to Gulf's customer classes was deferred. Also, standards were identified for measuring the prudence of expenditures for conservation advertising (Orders No. 18136 and 17281; Dockets No. 870001-3).

Several spin-off issues were resolved. The series of outages that occurred at Crystal River Unit 3 (CR-3) in 1986 were found to be reasonable, and the replacement fuel costs associated with the outages were found to be recoverable in the fuel clause (Order No. 18690; Docket No 860001-EI-B). The outage at FPC's CR-1 caused by a dropped wrench was resolved as being reasonable and a refund was not required for replacement fuel costs associated with the incident (Order No. 17690; Docket No. 860001-EI-A). Several investigations remain ongoing relating to other significant spinoff issues, the most no-

table of which are the coal inventory problems experienced by FPC.

In the area of cogeneration, standards, terms, and conditions were developed for the rates IOUs charge to cogenerators for backup and maintenance power (Order No. 17159; Docket No. 850673-EU). Also, several cogeneration contracts were modified to deal with capacity payments by IOUs to cogenerators. Lastly, requests by cogenerators to require IOUs to wheel self-generated power offsite from the generating location were denied (Order No. 17510; Docket No. 860786-EI, Order No. 17389; Docket No. 861180-EU).

The state of the law relating to territorial disputes was changed when the Supreme Court reversed the Commission's determination that a customer could purposefully remove itself from the service territory of one utility and establish a service point in another utility's area (Lee County Electric Cooperative v. John Marks). In a dispute between FPC and Suwannee Valley Electric Cooperative, FPC was granted the right to serve a new corrections facility in Hamilton County (Order No. 18425; Docket No. 870096-EU).

In other miscellaneous matters, a 500 MW coal unit was designed as the next statewide avoided unit (Dockets No. 870004-EQ and 870004-EQ-A).

Water & Sewer Bureau

New Procedures

The Commission delegated to staff the authority to administratively process requests for exemption from water and sewer regulation under specified circumstances. The Commission receives a great many requests for exemption or determination of jurisdictional status now that the Department of Environmental Regulation is applying Section 367.031, Florida Statutes. Unique or particularly complex requests are brought before the Commission.

Jurisdictional Counties

On January 13, 1987, the Board of County Commissioners of Sumter County adopted a regulation whereby jurisdiction over the authority, service and rates of water and sewer utilities providing service in Sumter County was transferred to the Commission. On September 8, 1987, the Board of County Commissioners of St. Lucie County adopted a resolution which formally rescinded this Commission's jurisdiction over water and sewer utilities providing service in St. Lucie County. The transfer of jurisdiction became effective on November 1, 1987. Such jurisdictional transfer had its genesis in a special act of the Florida Legislature, Chapter 86-347, Laws of Florida, which was ratified by the voters of St. Lucie County in a referendum held on September 2, 1986. The number of counties in which the Commission has jurisdiction over water and sewer utilities thus remained at 34.

Noteworthy Dockets

The water utility abandonment case of Paula F. Hawkins, et al v. Emerald Lakes Utilities, Inc., et al, Case No. 78-967, Osceola County Circuit Court, remained unresolved. This case is discussed at length in the 1986 annual report. The City of St. Cloud continues to capably serve as the receiver for this troubled utility.

By Order No. 18529, the Commission approved a settlement in an overearnings investigation whereby Sanibel Sewer System Partners, Ltd., agreed to refund approximately $240,000 in sewer service and availability charges, plus interest, to its customers in Lee County. By Order No. 18542, the Commission approved a settlement in an-

other over-earnings investigation, whereby Rookery Bay Utility Company agreed to refund approximately $35,000 in sewer service charges, plus interest, to its customers in Collier County. Both refunds are to be performed during 1988. Both over-earnings investigations originated with desk audits of the utilities' annual reports filed with the Commission.

By order No. 18530, the Commission approved a settlement in a rate case whereby Du-Lay Utility Company, Inc., agreed to refund $100,000 of interim revenues to its former water and sewer customers in Duval County. Du-Lay had sold its utility systems to the City of Jacksonville during the pendency of a rate case.

The Commission initiated action in circuit court against Kelly Brooke, Ltd., The FPSC v. Kelly Brooke, Ltd., Kelly Brooke, Inc. and John Van Heemst, Case No. 87-4357CA in the Twentieth Judicial Circuit in and for Lee County, Florida. This action is to enforce a Commission order requiring the refund to customers of unlawful sewer charges. The action also seeks recovery of an unpaid $10,000 fine for Kelly Brooke, Ltd.'s failure to perform the refund pursuant to the company's stipulation, together with attorney's fees and costs.

The commission also initiated action in circuit court in two other cases, The Florida Public Service Commission v. Shady Oaks Mobile-Modular Estates, Inc., Case No. 87-2465CA in Pasco County, and The Florida Public Service Commission v. William H. McEnally d/b/a/ Woodlawn Utility Company, Case No. 87-2674CA in Bay County. The purpose of these actions is to recover unpaid fines assessed for the utilities' failure to file annual reports and for attorney's fees and costs.

In the rate case application of Marco Island Utilities, a Division of Deltona Utilities, Inc., Docket No. 850151-WS, the Commission ordered the utility to file an application for a new class of service involving the appropriate charge for effluent for spray irrigation purposes. Pending the determination of the appropriate charge, the Commission authorized an interim rate of 25¢ per 1,000 gallons. The utility submitted its application, but there is an objection to the requested rates of 25¢ per 1,000 gallons. Therefore, a hearing has been scheduled to determine the appropriate charge for effluent for spray irrigation.

Also, in Docket No. 850151-WS, the Commission refused to accept Deltona's refinancing of its debt at an overall cost of 16.1%. In refinancing the debt, the utility entered into an agreement which allowed any additional refinancing to be done only with the consent of the bondholders. The Commission found this to be neither proper nor appropriate, and also found that the utility should have sought to refinance the debt in December, 1984, when the prime rate had dropped to 11.25%. Based on a prime rate of 11.25%, a cost above prime rate of 2.5%, and a cost of issuance of .5%, the Commission determined that the appropriate cost of debt was only 14.25% and not the 16.1% being paid by the utility. The utility has appealed this one issue to the First District Court of Appeal.

In the case of Meadowbrook Utility Systems v. The Florida Public Service Commission, Case No BT-217, the utility argued that the Commission's order erred in five areas: excluding from rate base proposed investment in future plant allegedly required by a governmental agency; refusing to adjust the common equity portion of the utility's capital structure to reflect revenues lost due to inadequacies in past rates; finding that a staff witness was qualified as an expert on cost of capital; excluding from allowed expenses operating and maintenance costs which exceeded the benchmark

test and were not otherwise justified; and using the newly authorized rate of return in calculating the amount of interim revenues to refunded. The Office of Public Counsel filed a cross appeal arguing that the Commission should have disallowed rate case expense.

The First District Court of Appeal affirmed on all counts. This is the first water and sewer case in which the benchmark test was applied to operating and maintenance expenses. The court did, however, express concern about rate case expense, stating that Public Counsel had advanced cogent reasons for disallowance of rate case expense, but that it was within the Commission's discretion to allow the expenses.

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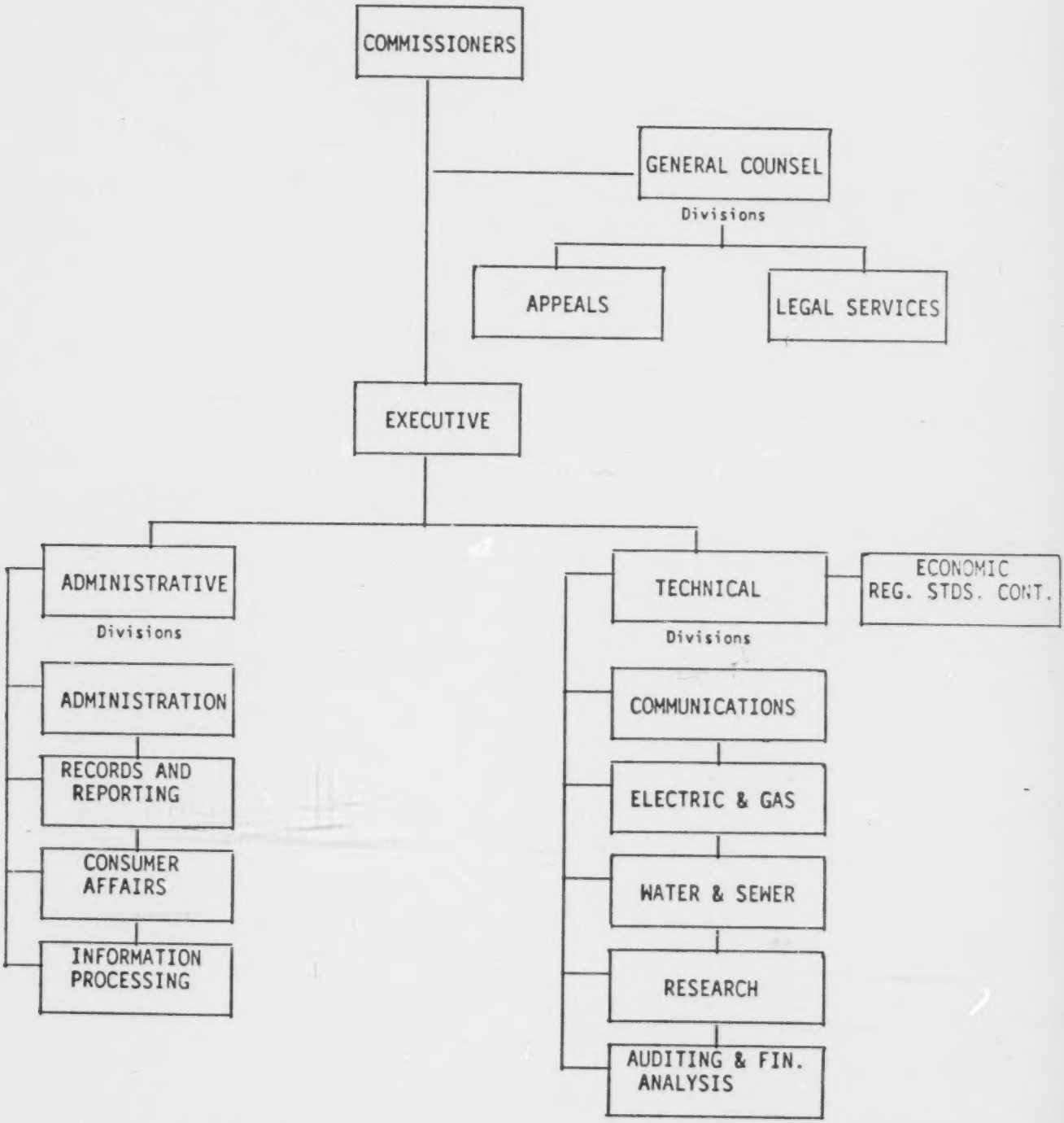
PSC District Offices

MIAMI
7370 N. W. 37th Street
Suite 100
Miami, Florida 33166-6732
(305) 592-0730

ORLANDO
400 W. Robinson Street
Suite 512
Orlando, Florida 32801-1775
(305) 423-6146

TAMPA
Park Trammell Building
Suite 901
1313 Tampa Street
Tampa, Florida 33602
(813) 272-3911

Florida Public Service Commission Organizational Chart



NARUC Committees

Florida Representatives

ADMINISTRATION	Thomas M. Beard
COMMUNICATIONS	Katie Nichols
ELECTRICITY	Michael Wilson
FINANCE AND TECHNOLOGY	Gerald L. Gunter
NUCLEAR ISSUES	Michael Wilson
NUCLEAR WASTE DISPOSAL	Michael Wilson
WATER	John T. Herndon

Staff Subcommittees

EXECUTIVE DIRECTORS	David L. Swafford
ACCOUNTS	Timothy J. Devlin
COMMUNICATIONS	Walter D'Haeseleer Jack Shreve, NASUCA, Observer
COMPUTERS	Margaret Perry
CONSUMER AFFAIRS	George B. Hanna
ECONOMICS AND FINANCE	Mary Bane Deborah Flannagan
ELECTRICITY	Joseph D. Jenkins Stephen C. Burgess, NASUCA, Observer
ENERGY CONSERVATION	James W. Dean
ENGINEERING	Walter D'Haeseleer
GAS	Joseph W. McCormick
LAW	John Roger Howe
MANAGEMENT ANALYSIS	Mark Laux
PIPELINE SAFETY	C. Edward Mills
PUBLIC INFORMATION	Beverlee DeMello
TASK FORCE ON HIGH SCHOOL PROGRAM	George B. Hanna
TELEPHONE SERVICE QUALITY	Alan Taylor
WATER	Charles H. Hill

Public Service Commissioners

(1887-1987)

Commissioners	Years Served	Replaced By
George G. McWhorter	08-17-87 to 06-13-91	
E. J. Vann	08-17-87 to 06-13-91	
William Himes	08-17-87 to 06-13-91	
The Commission was abolished by Legislature 1891, recreated 1897		
R. H. M. Davidson	07-01-97 to 01-03-99	John L. Morgan
John M. Bryan	07-01-97 to 01-06-03	Jefferson B. Brown
Henry E. Day	07-01-97 to 10-01-02	R. Hudson Burr
John L. Morgan	01-03-99 to 01-08-07	Royal C. Dunn
R. Hudson Burr	10-01-02 to 01-04-27	R. L. Eaton
Jefferson B. Brown	01-06-03 to 01-08-07	Newton A. Blitch
Newton A. Blitch	01-08-07 to 10-30-21	A. D. Campbell
Royal C. Dunn	01-04-09 to 01-04-21	A. S. Wells
A. S. Wells	01-04-21 to 12-16-30	L. D. Reagin
A. D. Campbell	11-12-22 to 02-10-24	E. S. Mathews
E. S. Mathews	02-25-24 to 01-16-46	Wilbur C. King
R. L. Eaton	01-04-27 to 02-27-27	Mrs. R. L. Eaton-Greene
Mrs. R.L. Eaton-Greene	02-27-27 to 01-08-35	Jerry W. Carter
L. D. Reagin	12-16-30 to 07-06-31	Tucker Savage
Tucker Savage	07-06-31 to 01-03-33	W. B. Douglass
W. B. Douglass	01-03-33 to 08-04-47	Richard A. Mack
Jerry W. Carter	01-08-35 to 01-05-71	William H. Bevis
Wilbur C. King	01-08-47 to 07-18-64	William T. Mayo
Richard A. Mack	09-15-47 to 01-05-55	Alan S. Boyd
Alan S. Boyd	01-05-55 to 11-01-59	Edwin L. Mason
Edwin L. Mason	12-01-59 to 01-06-69	Jess Yarborough
William T. Mayo	09-01-64 to 12-31-80	Katie Nichols
Jess Yarborough	01-06-69 to 01-02-73	Paula F. Hawkins
William H. Bevis	01-05-71 to 03-21-78	Robert T. Mann
Paula F. Hawkins	01-02-73 to 03-21-79	John R. Marks, III
Robert T. Mann	03-22-78 to 01-03-81	Susan Leisner
The Commission became appointive January 1, 1979		
Joseph P. Cresse	01-02-79 to 12-31-85	John T. Herndon
Gerald L. Gunter	01-02-79 to 01-08-91	
John R. Marks, III	03-22-79 to 03-02-87	Thomas M. Beard
Katie Nichols	01-02-81 to 01-03-89	
Susan Leisner	02-16-81 to 04-02-85	Michael McK. Wilson
Michael McK. Wilson	07-12-85 to 01-02-90	
John T. Herndon	01-07-86 to 01-08-91	
Thomas M. Beard	03-03-87 to 01-02-90	

Regulatory Trust Fund

Appropriations 1978-88

FISCAL YEAR	APPROPRIATION	
	POSITIONS	AMOUNT
1978-79	403	$ 8,249,238
1979-80	434	9,699,416
1980-81	361	10,249,676*
1981-82	322	12,124,437**
1982-83	332	11,287,379
1983-84	336	13,700,825
1984-85	346	13,788,347
1985-36	346	14,697,776
1986-87	358	15,327,827
1987-88	364	16,355,837

NOTE: Amounts reflect the Commission's actual appropriation, except for the two years explained by footnotes.

*Reflects transfers of transportation positions and budget to the Department of Transportation.

**Reflects reduction of positions and budget resulting from Sunset review by the Legislature.

Regulatory Trust Fund Revenues

Fiscal Year Ended June 30, 1987

Recording Fees	-
Utilities Filing Fees	$ 127,528.50
Utilities Regulatory Tax	14,240,991.09
Miscellaneous Revenue	135,167.66*
Refunds and Cancellations	20,821.57
Interest Income	765,175.34
TOTAL	$15,289,684.16

*Includes Recording Fees

Division of Administration

Bureau of Fiscal Services

The following workload statics indicate activity in the major functions of the Bureau:

	1983	1984	1985	1986	1987
Number of Invoices Processed	3,118	2,863	3,111	3,208	2,413
Travel Vouchers	3,660	3,637	3,323	3,041	2,427
Professional & Technical Service Consultant Contracts	36	9	14	4	5
Payroll Change Orders Processed	1,871	1,711	2,074	1,402	1,648

Bureau of General Support Services

Listed below is a summary of the Bureau's workload during 1986 and 1987.

	1986	1987
Invoices Verified	-	246*
Purchase Orders Issued	1,678	1,756
Special Orders Processed	1,618	1,757
Supply Orders Processed	624	739
Photocopy Requisitions Processed	3,152	3,222
Copies Produced (Print Shop)	3,593,030	3,081,581
Pieces of Outgoing Regular Mail Processed	164,927	166,926
Pieces of Special Service Mail Processed	1,766	1,077
Postage Used (Meter)	$61,757	$58,253
Supply Requisitions Filled	622	685
Messenger Runs	-	819*

*First Year Reported

Bureau of Personnel

Listed below is a summary of personnel action during 1986 and 1987.

	1986	1987
New Employees	59	53
Terminations	40	45
Retirements	2	5
Promotions	68	74
Pay Adjustments, Merit Increases & Discretionary Increases	472	832
Reassignments	10	37
Others*	493	569
TOTAL	1,144	1,615
Classification Actions	183	110
Up-to-Date Position Descriptions	70	76
TOTAL	253	186

*Includes demotions, status changes, leave with/without pay, et cetera.

Case Activity Statistics -- January 1987 - December 1987

END OF —— >	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sep. 1987	Oct. 1987	Nov. 1987	Dec. 1987
All Cases Beg. Pd.	527	506	544	518	544	579	544	572	534	496	531	547
New Cases	119	109	119	133	135	90	145	110	84	118	125	153
Restored Cases	2	2	1	4	4	1	0	1	0	2	2	0
Closed Cases (subtract)	142	73	146	111	104	126	117	149	122	85	111	115
All Cases End Pd.	506	544	518	544	579	544	572	534	496	531	547	585
Active	432	470	449	481	519	475	496	453	414	453	472	505
Monitor	42	39	38	35	42	49	55	57	57	56	56	64
Litigation	12	11	12	12	8	8	8	10	11	11	12	8
Conservation	20	24	19	16	10	12	13	14	14	11	7	8
Total All	506	544	518	544	579	544	572	534	496	531	547	585
Ages of Cases												
< 6 months	343	386	354	377	397	370	377	339	299	328	328	370
6 months - 1 year	71	68	72	74	81	76	96	95	92	95	100	101
1 year - 2 years	59	57	58	61	67	65	66	67	70	70	78	75
2 years - 3 years	14	17	18	15	17	16	16	17	18	20	23	24
3 years - 4 years	9	7	5	6	7	9	9	7	8	8	6	6
4 years - 5 years	5	6	8	7	7	6	6	7	7	8	9	5
5 years - 6 years	3	2	1	2	1	1	1	1	1	1	2	3
6 years - 7 years	0	0	1	1	1	0	0	0	0	0	0	0
7 years - 8 years	0	0	0	0	0	0	0	0	0	0	0	0
> 8 years	2	1	1	1	1	1	1	1	1	1	1	1
	506	544	518	544	579	544	572	534	496	531	547	585
Cases > 2 Years Old												
Active	13	14	14	13	17	18	15	12	14	15	16	14
Monitor	12	12	13	11	13	11	14	17	17	17	19	20
Litigation	6	5	5	6	2	2	2	2	2	4	4	3
Conservation	2	2	2	2	2	2	2	2	2	2	2	2
Total	33	33	34	32	34	33	33	33	35	38	41	39

On 7/23/83 a goal was established to reduce the number of Active cases over 2 years old to 7.5% of Total Active cases.
For December 1987 this ratio is 14 ÷ 505 = 2.8%.

1987
COMPLAINT ACTIVITY
DIVISION OF CONSUMER AFFAIRS

ELECTRIC INDUSTRY

	COMPLAINTS LOGGED			COMPLAINTS CLOSED				YEAR-END			
				Justification			Percent	1987 Total	Percent Change	Complaint Per 1000	Justified Per 1000
	Service	Billing	Major Type	Yes	No	Some	Justified	Recvd.	From '86	Customers	Customers
FLORIDA POWER	143	135	High Bill	60	164	65	21%	278	-20%	0.309	0.067
FPL	528	740	High Bill	347	702	272	26%	1268	-16%	0.511	0.140
FPUC	1	2	Misc. Billing	1	1	1	33%	3	-25%	0.191	0.064
GULF POWER	34	33	High Bill	6	51	10	9%	67	-25%	0.285	0.025
TAMPA ELECTRIC	111	149	High Bill	60	143	61	23%	260	26%	0.725	0.167
INDUSTRY TOTAL	817	1059	High Bill	474	1061	409	24%	1876	-13%	0.470	0.119
PERCENTAGES	44%	56%		24%	55%	21%					

1987
COMPLAINT ACTIVITY
DIVISION OF CONSUMER AFFAIRS

GAS INDUSTRY

	COMPLAINTS LOGGED		COMPLAINTS CLOSED				YEAR-END			
			Justification							
	Service	Billing	Yes	No	Some	Percent Justified	1987 Total Recvd.	Percent Change From '86	Complaint Per 1000 Customers	Justified Per 1000 Customers
CENTRAL FLORIDA	0	3	2	1	0	67%	3	-25%	0.602	0.402
CITY GAS	25	43	20	28	19	30%	68	21%	0.951	0.280
FPUC	3	6	5	4	0	56%	9	13%	0.287	0.128
GAINESVILLE	1	3	4	0	0	100%	4	100%	0.247	0.247
MILLER	1	0	0	1	0	0	1	-50%	0.215	0.000
PALM BEACH	0	0	0	0	0	0	0	-100%	0.000	0.000
PEOPLES	103	137	104	99	67	39%	240	24%	1.606	0.696
PLANT CITY	1	0	0	1	0	0	1	-	1.250	0.000
SOUTHERN	0	12	11	1	0	92%	12	500%	3.361	3.081
SOUTH FLORIDA	2	0	1	1	0	50%	2	100%	0.638	0.319
WEST FLORIDA	4	11	4	8	3	27%	15	36%	0.833	0.278
INDUSTRY TOTAL	140	215	151	144	89	39%	355	26%	1.149	0.489
PERCENTAGES	39%	61%	39%	38%	23%					

1987
COMPLAINT ACTIVITY
DIVISION OF CONSUMER AFFAIRS

TELEPHONE INDUSTRY

	COMPLAINTS LOGGED IN 1987			COMPLAINTS CLOSED IN 1987				1987	Percent	Complaint	Justified
				Justification			Percent	Total	Change	Per 1000	Per 1000
	Service	Billing	Major Type	Yes	No	Some	Justified	Recvd.	From '86	Customer	Customer
ALLTEL	61	14	Delay Connect	36	18	27	45%	75	3%	1.736	0.833
CENTEL	170	71	Service Problems	120	71	57	48%	241	18%	1.158	0.576
FLORALA	7	1	Service Problems	2	4	2	25%	8	-11%	5.253	1.313
GENERAL	581	145	Service Problems	355	234	146	48%	726	-20%	0.504	0.247
GULF	0	0	-	0	0	0		0	-100%	0.000	0.000
INDIANTOWN	1	0	Service Problems	0	1	0	0%	1	0%	0.561	0.000
LONG DISTANCE	184	628	Toll Billing	450	209	142	56%	812	47%	-	-
N. E. FLORIDA	3	4	Toll Billing	2	2	2	33%	7	40%	1.508	0.431
PAY TELEPHONE	39	23	Misc. Service	25	13	13	50%	62	1140%	-	-
QUINCY	1	2	Toll Billing	1	2	0	33%	3	-40%	0.386	0.129
ST. JOSEPH	23	3	Service Problems	15	8	3	58%	26	86%	1.387	0.800
SOUTHERN BELL	1111	478	Delay Connect	566	653	432	34%	1589	-3%	0.441	0.157
SOUTHLAND	2	0	Misc. Service	1	0	3	25%	2	-67%	0.765	0.383
UNITED	180	77	Service Problems	76	100	89	29%	257	-22%	0.316	0.093
INDUSTRY TOTAL	2363	1446		1649	1315	916		3809	1%	0.477	0.191
PERCENTAGES	62%	38%		42%	34%	24%					

1987
COMPLAINT ACTIVITY
DIVISION OF CONSUMER AFFAIRS

WATER & SEWER INDUSTRY

	COMPLAINTS LOGGED IN 1987				COMPLAINTS CLOSED IN 1987			YEAR-END TOTALS	
	Service	Billing	Total	Major Type	Justification Yes	No	Some	1987 Total Recvd.	Percent Change From '86
INDUSTRY TOTAL	197	175	372	High Bill	154	152	53	372	-11%
PERCENTAGES	47%	53%			43%	42%	15%		

Local Exchange Companies

REGULATED STATISTICS AS OF SEPTEMBER 1987

	GROSS PLANT IN SERVICE $	OPERATING REVENUES $	OPERATING REVENUE DEDUCTIONS $	NET OPERATING INCOME $
ALLTEL	121,758,580	32,476,518	23,983,821	8,492,697
CENTEL	375,550,000	125,707,000	103,932,000	21,777,000
GENERAL	2,872,280,000	1,158,570,000	935,270,000	223,300,000
SOUTHERN BELL	7,151,433,000	2,831,224,000	2,272,725,000	558,499,000
UNITED	1,607,136,098	555,046,557	438,825,856	116,220,701
ALL OTHER LECs	118,476,603	44,227,214	36,321,498	7,905,716
TOTAL	12,246,634,281	4,747,251,289	3,811,058,175	936,195,144

Company & Headquarters	Number of Florida Exchanges	Florida Access Lines	Percent of State Total	Access Line Percent Growth From Previous Year
1. ALLTEL Florida, Inc. Live Oak, Florida	27	45,280	.69	4.8
2. Central Telephone Company of Florida Tallahassee, Florida	35	222,622	3.41	6.9
3. CONTEL Thomaston, Georiga	1	61	.001	(3.2)
4. Florala Telephone Company Florala, Alabama	2	1,571	.02	3.2
5. GTE Florida, Inc. Tampa, Florida	24	1,517,295	23.24	5.4
6. Gulf Telephone Company Perry, Florida	2	6,730	.10	3.6
7. Indiantown Telephone System, Inc. Indiantown, Florida	1	1,877	.03	5.2
8. Northeast Florida Telephone Company Macclenny, Florida	2	4,807	.07	3.5

Telephone Utilities - Summary (con't.)

Company & Headquarters	Number of Florida Exchanges	Florida Access Lines	Percent of State Total	Access Line Percent Growth From Previous Year
9. Quincy Telephone Company Quincy, Florida	3	7,976	.12	2.6
10. St. Joseph Telephone & Telegragh Company Port St. Joe, Florida	13	19,329	.30	3.1
11. Southern Bell Telephone and Telegraph Company Miami, Florida	103	3,829,900	58.67	6.3
12. Southland Telephone Company Atmore, Alabama	3	2,750	.04	5.2
13. United Telephone Company of Florida Altamonte Springs, Florida	68	864,200	13.24	6.2
14. Vista-United Telecommunications Lake Buena Vista, Florida	1	3,138	.05	41.4
TOTAL	285	6,527,536	*	6.1

* Does not equal 100 percent due to rounding

Regulated Electric Utilities

OPERATING STATISTICS 1987 *

	GROSS PLANT IN SERVICE	OPERATING REVENUE	OPERATING REVENUE DEDUCTIONS	NET OPERATING INCOME	END OF PERIOD NUMBER OF CUSTOMERS
ELECTRIC (TOTAL SYSTEM):					
FLORIDA POWER CORPORATION	$3,792,409,761	$1,472,185,991	$1,195,752,944	$276,433,047	1,056,903
FLORIDA POWER & LIGHT COMPANY	9,762,656,691	4,349,721,520	3,672,999,184	676,722,336	2,906,815
FLORIDA PUBLIC UTILITIES CO.	26,886,355	26,126,167	24,903,868	1,222,299	18,955
GULF POWER COMPANY	1,332,641,740	531,904,918	447,893,023	84,011,895	273,535
TAMPA ELECTRIC COMPANY	2,058,318,994	903,997,801	750,689,422	153,308,379	432,205
TOTAL ELECTRIC	$16,972,913,541	$7,283,936,397	$6,092,238,441	$1,191,697,956	4,688,413

* ALL DATA UNAUDITED

Florida Investor Owned Electric Utility Purchased Fuel Cost

EXPRESSED IN DOLLARS PER UNIT AND CENTS PER KWH

	Heavy Oil		Light Oil		Coal		Natural Gas	
Year	$/Bbl	C/KWH	$/Bbl	C/KWH	$/Ton	C/KWH	$/Mcf	C/KWH
1974	11.10	1.79	12.27	3.60	16.70	0.73	0.60	0.66
1975	11.58	1.87	12.76	3.74	23.39	1.02	0.74	0.81
1976	11.34	1.83	13.63	4.00	25.52	1.12	0.85	0.94
1977	13.27	2.14	15.00	4.40	29.38	1.29	0.88	0.97
1978	12.30	1.98	15.49	4.54	34.63	1.52	1.04	1.14
1979	18.23	2.94	29.40	8.62	38.43	1.68	1.20	1.32
1980	23.36	3.77	33.23	9.74	42.61	1.86	1.31	1.44
1981	28.32	4.57	46.67	13.68	53.23	2.33	2.15	2.37
1982	27.73	4.47	51.27	15.03	56.69	2.48	2.21	2.43
1983	27.52	4.44	35.34	10.36	57.84	2.53	2.91	3.20
1984	29.39	4.74	34.57	10.13	57.02	2.49	3.43	3.77
1985	24.94	4.02	32.62	9.56	57.01	2.49	3.28	3.61
1986	13.51	2.18	19.55	5.73	53.05	2.32	2.03	2.23
1987	18.14	2.93	23.58	6.91	48.82	2.13	2.70	2.97

SOURCES: 1974-1980 PFC FORM 423
1981-1987 MONTHLY FUEL ADJUSTMENT FILINGS

NOTES: MCF = THOUSAND CUBIC FEET; ONE BBL = 42 GALLONS
ONE TON = 2000 POUNDS
CONVERSIONS: HEAVY OIL 6,300,000 BTUs PER BARREL - 10,000 BTUs PER KWH
LIGHT OIL 5,800,000 BTUs PER BARREL - 17,000 BTUs PER KWH
COAL 11450 BTUs PER POUND - 10,000 BTUs PER KWH

Residential Electric Rate Changes

1987
Fuel Cost in ¢/KWH
Bill in $ for 1000KWH
No Changes for Months Not Listed

	JANUARY		APRIL		JUNE		OCTOBER	
	FUEL	BILL	FUEL	BILL	FUEL	BILL	FUEL	BILL
FPL	1.843¢	$74.98	1.613¢	$71.31	2.237¢	$76.28	2.332¢	$80.61
FPC	1.943¢	$72.79	2.008¢	$70.12	No Change		2.324¢	$73.61
TECO	2.412¢	$78.13	2.150¢	$76.43	No Change		2.539¢	$79.62
GULF	2.643¢	$64.78	2.499¢	$63.20	2.499¢	$68.88	2.341¢	$67.24

Investor-Owned Utilities

INVESTOR-OWNED UTILITIES
TYPICAL ELECTRIC BILL COMPARISONS *
RESIDENTAL SERVICE
DECEMBER 31,1987

UTILITY	Minimum Bill or Customer Charge	KWH 100	250	500	750	1000	1500
FLORIDA POWER & LIGHT COMPANY	$5.65	$12.90	$23.77	$41.88	$60.00	$80.61	$121.84
FLORIDA POWER CORPORATION	$6.10	$12.50	$22.69	$39.66	$56.63	$73.61	$107.56
TAMPA ELECTRIC COMPANY	$7.00	$14.26	$25.16	$43.31	$61.47	$79.62	$115.93
GULF POWER COMPANY **	$6.25	$11.78	$20.08	$33.91	$47.73	$61.56	$89.22
FLORIDA PUBLIC UTILITIES COMPANY							
Marianna Division	$5.00	$10.23	$18.06	$31.13	$44.19	$57.25	$83.38
Fernandina Beach Division	$2.50	$8.84	$18.35	$34.20	$50.04	$65.89	$97.59

*Excluding Local Taxes / OCTOBER 1987-MARCH 1988 FUEL COSTS ARE INCLUDED
**Summer/Winter Rates in effect - Winter Rates are shown

MUNICIPAL UTILITIES
TYPICAL ELECTRIC BILL COMPARISONS *
RESIDENTIAL SERVICE
DECEMBER 31,1987

MUNICIPAL UTILITIES	Minimum Bill or Customer Charge	KWH 100	250	500	750	1000	1500
ALACHUA	$8.00	$15.09	$25.73	$43.46	$61.19	$78.92	$114.38
BARTOW	$5.50	$12.42	$22.81	$40.11	$57.42	$74.72	$109.33
BOUNTSTOWN	$3.50	$9.72	$19.04	$34.58	$50.11	$65.65	$96.73
BUSHNELL	$6.50	$13.38	$23.70	$40.90	$58.10	$75.30	$109.70
CHATTAHOOCHEE	$3.00	$8.73	$17.32	$31.63	$45.95	$60.26	$88.89
CLEWISTON	$6.50	$12.96	$22.65	$38.80	$54.95	$71.10	$103.40
FORT MEADE	$6.80	$14.20	$25.30	$43.80	$62.30	$80.80	$117.80
FORT PIERCE	$5.00	$11.61	$21.53	$38.06	$54.58	$71.11	$104.17
GAINESVILLE	$4.44	$10.49	$19.56	$34.69	$49.81	$65.86	$97.95
GREEN COVE SPRINGS	$6.00	$13.24	$24.09	$42.18	$60.26	$78.35	$114.53
HAVANA	$2.00	$11.81	$26.53	$51.05	$75.58	$100.10	$149.15
HOMESTEAD	$3.92	$11.09	$21.85	$39.77	$57.70	$75.62	$111.47
JACKSONVILLE	$5.50	$11.72	$21.05	$36.60	$52.15	$67.70	$98.80
JACKSONVILLE BEACH	$4.50	$11.52	$22.05	$39.60	$57.15	$74.70	$109.80
KEY WEST	$4.46	$12.02	$23.36	$42.26	$61.16	$80.06	$117.86
KISSIMMEE	$4.94	$13.54	$26.45	$47.96	$69.47	$90.98	$134.00
LAKELAND	$4.00	$10.86	$21.14	$38.28	$55.41	$72.55	$106.83
LAKE WORTH	$2.57	$9.95	$21.03	$39.49	$57.95	$76.41	$113.33
LEESBURG	$5.00	$11.47	$21.18	$37.35	$53.53	$69.70	$102.05
MOORE HAVEN	$8.50	$17.48	$30.95	$53.40	$75.85	$98.30	$143.20
MOUNT DORA	$5.98	$14.65	$27.67	$49.35	$71.04	$92.72	$136.09
NEWBERRY	$5.00	$12.34	$23.35	$41.69	$60.04	$78.38	$115.07
NEW SMYRNA BEACH	$4.50	$12.50	$24.50	$44.51	$64.51	$84.51	$124.52
OCALA	$7.00	$14.21	$25.03	$43.05	$61.08	$79.10	$115.15
ORLANDO	$4.20	$11.35	$22.08	$39.95	$57.83	$75.70	$111.45
QUINCY	$2.10	$7.07	$14.53	$26.95	$39.38	$51.80	$76.65
REEDY CREEK	$2.85	$8.98	$18.18	$33.51	$48.84	$64.17	$94.83
ST.CLOUD	$7.50	$13.82	$24.40	$45.70	$67.00	$88.30	$130.90
SEBRING	$8.70	$17.55	$30.83	$52.95	$75.08	$97.20	$141.45
STARKE	$6.45	$13.70	$24.58	$42.70	$60.83	$78.95	$122.70
TALLAHASSEE	$3.89	$11.46	$22.82	$41.74	$60.67	$79.59	$117.44
VERO BEACH	$7.20	$13.65	$23.32	$39.45	$55.57	$71.69	$103.94
WAUCHULA	$8.75	$15.89	$26.59	$44.43	$62.27	$80.11	$115.79
WILLISTON	$6.00	$12.63	$22.57	$39.13	$55.70	$72.26	$105.39

* Excluding Local Taxes/ December 1987 Fuel Costs are Included.

COOPERATIVE UTILITIES
TYPICAL ELECTRIC BILL COMPARISONS *
RESIDENTIAL SERVICE
DECEMBER 31,1987

COOPERATIVE UTILITIES	Minimum Bill or Customer Charge	KWH 100	250	500	750	1000	1500
CENTRAL FLORIDA	$8.50	$15.36	$25.66	$42.82	$59.98	$77.14	$111.46
CHOCTAWHATCHEE	$11.85	$18.22	$27.76	$43.68	$59.59	$75.51	$107.33
CLAY	$7.00	$14.75	$26.38	$45.75	$65.13	$84.50	$123.25
ESCAMBIA RIVER	$7.00	$12.48	$20.70	$34.41	$48.11	$61.81	$89.22
FLORIDA KEYS	$5.60	$13.79	$26.07	$46.55	$67.02	$87.49	$128.44
GLADES	$8.50	$16.95	$29.63	$50.75	$71.88	$93.00	$135.25
GULF COAST	$7.00	$14.06	$24.65	$42.30	$59.95	$77.60	$112.90
LEE COUNTY	$5.00	$12.81	$24.53	$44.05	$63.58	$83.10	$122.15
OKEFENOKE	$6.00	$13.78	$25.45	$44.90	$64.35	$83.80	$122.70
PEACE RIVER	$9.50	$17.46	$29.39	$49.28	$69.16	$89.05	$128.83
SUMTER	$8.50	$16.60	$28.75	$49.00	$69.25	$89.50	$130.00
SUWANNEE VALLEY	$8.50	$16.36	$28.15	$47.80	$67.45	$87.10	$126.40
TALQUIN	$7.50	$14.80	$25.75	$44.00	$62.25	$80.50	$117.00
TRI-COUNTY	$8.00	$17.00	$30.50	$53.00	$75.50	$98.00	$143.00
WEST FLORIDA	$6.97	$14.16	$24.94	$42.91	$60.87	$78.84	$114.78
WITHLACHOOCHEE	$6.50	$14.09	$25.46	$44.43	$63.39	$82.35	$120.28

Excluding Local Taxes/ December 1987 Fuel Costs are Included.

INVESTOR-OWNED UTILITIES
TYPICAL ELECTRIC BILL COMPARISONS *
COMMERCIAL/INDUSTRIAL
DECEMBER 31, 1987

			KW DEMAND				
			75	150	500	1000	2000
			KWH				
UTILITY	750	1,500	15,000	45,000	150,000	400,000	800,000
FLORIDA POWER & LIGHT COMPANY -	$68	$127	$1222	$3254	$10513	$25883	$51718
FLORIDA POWER CORPORATION	$57	$108	$1002	$2535	$8591	$20817	$41550
TAMPA ELECTRIC COMPANY	$61	$116	$1198	$3017	$9976	$24428	$48686
GULF POWER COMPANY **	$71	$135	$949	$2325	$7934	$18989	$37927
FLORIDA PUBLIC UTILITIES COMPANY							
Marianna Division	$52	$98	$825	$2323	$7707	$19977	$39939
Fernandina Beach Division	$62	$120	$1043	$2967	$9654	$25662	$51309

*Excluding Local Taxes / OCTOBER 1987-MARCH 1988 FUEL COSTS ARE INCLUDED
**Summer/Winter Rates in effect - Winter Rates are shown

MUNICIPAL COMMERICAL/INDUSTRIAL TYPICAL BILL COMPARISONS
DECEMBER 31,1987

MUNICIPAL UTILITIES	KW DEMAND		75	150	500***	1000***	2000
	KWH						
	750	1,500	15,000	45,000	150,000	400,000	800,000
ALACHUA	$73	$138	$1,409	$3,544	$11,761	$28,491	$56,959
BARTOW	$73	$140	$1,389	$3,560	$11,824	$28,967	$57,915
BOUNTSTOWN	$60	$113	$1,071	$3,198	$10,644	$28,371	$56,735
BUSHNELL	$67	$128	$1,223	$3,477	$11,544	$28,566	$57,112
CHATTAHOOCHEE	$57	$109	$1,055	$3,057	$10,189	$26,054	$52,108
CLEWISTON	$66	$124	$1,199	$3,257	$10,775	$27,475	$54,915
FORT MEADE	$70	$128	$1,155	$3,544	$11,650	$28,230	$56,390
FORT PIERCE	$62	$120	$1,251	$3,252	$10,770	$26,702	$53,374
GAINESVILLE	$66	$123	$1,180	$3,144	$10,444	$22,957	$45,853
GREEN COVE SPRINGS	$60	$115	$1,320	$3,386	$11,228	$23,365	$46,605
HAVANA	$76	$149	$1,474	$4,417	$14,717	$39,242	$78,482
HOMESTEAD	$69	$133	$1,386	$3,691	$12,224	$30,764	$61,494
JACKSONVILLE	$58	$110	$1,141	$2,923	$9,510	$23,800	$47,400
JACKSONVILLE BEACH	$66	$126	$1,542	$3,955	$13,146	$32,196	$64,376
KEY WEST	$79	$154	$1,531	$4,101	$13,659	$34,264	$68,524
KISSIMMEE	$73	$139	$1,552	$3,856	$12,375	$28,082	$56,114
LAKELAND	$65	$120	$1,160	$3,072	$10,344	$24,494	$48,606
LAKE WORTH	$67	$132	$1,297	$3,816**	$12,694**	$31,425**	$62,838
LEESBURG	$65	$125	$1,238	$3,080	$10,227	$24,577	$49,137
MOORE HAVEN	$91	$173	$1,677	$4,544	$15,093	$38,243	$76,463
MOUNT DORA	$72	$138	$1,325	$3,964	$12,365	$29,682	$59,364
NEWBERRY	$69	$133	$1,416	$3,467	$11,522	$27,367	$54,719
NEW SMYRNA BEACH	$80	$155	$1,511	$4,036	$13,375	$33,695	$67,357
OCALA	$61	$115	$1,175**	$2,940**	$9,751**	$23,559**	$47,097
ORLANDO	$59	$113	$1,165	$2,916	$9,660	$23,382	$46,738
QUINCY	$44	$82	$896	$2,342	$7,683	$19,333	$38,613
REEDY CREEK	$62	$121	$1,027	$2,786	$9,253	$23,471	$46,927
ST.CLOUD	$76	$142	$1,462	$4,008	$13,300	$33,965	$67,905
SEBRING	$85	$158	$1,461	$3,760	$11,884	$30,184	$60,334
STARKE	$80	$151	$1,427	$4,262	$14,184	$37,809	$75,609
TALLAHASSEE	$71	$137	$1,387	$3,502	$11,615	$28,235	$56,445
VERO BEACH	$58	$109	$1,161	$3,010	$9,224	$22,796	$45,532
WAUCHULA	$81	$136	$1,112	$3,570	$11,745	$29,360	$58,654
WILLISTON	$62	$118	$1,425	$3,491	$11,596	$27,561	$55,105

* Excluding Local Taxes / DECEMBER 1987 FUEL COSTS ARE INCLUDED.
** Actual demand charge is based on KVA. An equivalent demand charge based on KW under the assumption of a 90% power factor at peak demand was used in this comparison.
*** For consistency of comparison the rates for 501 kw and 1001 kw respectively were used for all utilities.

COOPERATIVE UTILITIES
TYPICAL ELECTRIC BILL COMPARISONS *
COMMERCIAL/INDUSTRIAL
DECEMBER 31, 1987

COOPERATIVE UTILITIES	KW DEMAND		75	150	500**	1000**	2000
	KWH						
	750	1,500	15,000	45,000	150,000	400,000	800,000
CENTRAL FLORIDA	$75	$134	$1,397	$3,569	$11,826	$28,506	$56,962
CHOCTAWHATCHEE	$61	$110	$1,060	$2,801	$10,028	$22,742	$44,985
CLAY	$66	$125	$1,228	$3,312	$10,910	$26,845	$52,595
ESCAMBIA RIVER	$48	$89	$1,005	$2,521	$8,312	$20,264	$40,488
FLORIDA KEYS	$81	$145	$1,406	$4,125	$13,808	$36,231	$72,487
GLADES	$81	$150	$1,579	$4,395	$14,580	$34,650	$69,000
GULF COAST	$60	$113	$1,004	$2,687	$8,927	$22,452	$44,892
LEE COUNTY	$65	$125	$1,169	$3,101	$10,300	$26,375	$52,735
OKEFENOKE	$93	$155	$1,404	$3,696	$11,795	$29,220	$57,940
PEACE RIVER	$71	$133	$1,236	$3,195	$10,533	$26,170	$52,290
SUMTER	$78	$144	$1,573	$4,055	$13,400	$33,150	$66,250
SUWANNEE VALLEY	$71	$134	$1,435	$3,775	$12,490	$31,240	$62,440
TALQUIN	$65	$122	$1,388	$3,593	$11,835	$28,000	$55,700
TRI-COUNTY	$83	$153	$1,270	$3,085	$10,050	$24,300	$48,500
WEST FLORIDA	$61	$115	$1,074	$2,707	$8,906	$21,818	$43,586
WITHLACHOOCHEE RIVER	$72	$138	$1,271	$3,294	$10,920	$26,995	$53,965

*Excluding Local Taxes / DECEMBER 1987 FUEL COSTS ARE INCLUDED

** For consistency of comparison the rate for 501 kw and 1001 kw respectively were used for all utilities.

INVESTOR-OWNED
ELECTRIC UTILITIES
MISCELLANEOUS CHARGES
DECEMBER 31, 1987

UTILITY	Initial Connect(1)	Normal Reconnect(2)	Violation Reconnect(3)	Collection Charge(4)	Temporary Service (5) Underground	Temporary Service (5) Overhead
FLORIDA POWER & LIGHT COMPANY	$16.00	$16.00	$19.00	$.00	$110.00	$145.00
FLORIDA POWER CORPORATION	$18.00	$15.00 $6.00(6)	$27.00	$.00	$34.00 $35.00(7)	$45.00 $63.00(7)
TAMPA ELECTRIC COMPANY	$20.00	$16.00	$18.00	$5.00	$70.00	$70.00
GULF POWER COMPANY	$16.00	$16.00	$16.00	$6.00	$48.00	$48.00
FLORIDA PUBLIC UTILITIES COMPANY						
Marianna Division	$10.00	$7.00	$10.00	$.00	$.00	$.00
Fernandina Beach Division	$.00	$.00	$3.00	$.00	$.00	$.00

(1) Initial connection to an establishment never having prior service.
(2) Connection of service to an establishment having had prior service.
(3) Connection of service to a customer who has been disconnected due to a violation of Commission rule/regulation, i.e., non-pay, meter tampering, bad check, etc.
(4) A collection charge is made in the event a service representative visits the premises for the purpose of discontinuing service for nonpayment of a delinquent account and the customer pays or arranges to pay the past due amount in lieu of service interruption.
(5) Charge for installing and removing a temporary service drop.
(6) The $6.00 charge is applicable when only one trip to the premise is required.
(7) Applicable when three-phase service drop is required.

INVESTOR-OWNED
ELECTRIC UTILITIES
GROWTH AND USE STATISTICS
DECEMBER 31, 1987

UTILITY	Residential Consumption for 1987	Gain in Average Residential Consumption	Customers as of Dec.31,1987	Gain in Residential Customers	Residential Revenues for 1987	Percent Gain in Residential Revenues	Average Residential Revenue Per KWH Sold	Total Retail Operating Revenue	Percent Increase In Total Retail Operating Revenue
FLORIDA POWER & LIGHT COMPANY	11,244	.1%	2,578,756	4.0%	$2,300,957,094	4.0%	$.0073	$4,169,195,811	4.6%
FLORIDA POWER CORPORATION	11,356	.0%	930,279	4.4%	$751,378,751	(5.7%)	$.0720	$1,291,030,565	(5.9%)
TAMPA ELECTRIC COMPANY	12,646	.4%	380,277	3.4%	$357,350,926	1.4%	$.0772	$767,747,130	.2%
GULF POWER COMPANY	12,759	.3%	241,138	2.5%	$199,700,000 *	(.5%)	$.0654	$397,400,000 *	(.2%)
FLORIDA PUBLIC UTILITIES									
Marianna Division	10,686	.2%	8,284	2.0%	$5,614,268	(7.8%)	$.0639	$12,833,624	(7.9%)
Fernandina Beach Division	12,810	4.5%	7,864	3.5%	$6,599,821	(2.7%)	$.0661	$13,292,543	(9.9%)

NOTE: ABOVE REVENUES INCLUDE FUEL. PARENTHESES DENOTE NEGATIVE AMOUNT.
* DATA REPORTED IN MILLIONS OF DOLLARS

MUNICIPAL & COOPERATIVE *
ELECTRIC UTILITIES
GROWTH AND USE STATISTICS
DECEMBER 31, 1987

UTILITY	Average Residential Consumption for 1987	Percent Gain in Average Residential Consumption	Residential Customers as of Dec.31,1987	Percent Gain in Residential Customers	Residential Revenues for 1987	Percent Gain in Residential Revenues	Average Residential Revenue Per KWH Sold	Total Retail Operating Revenue	Percent Increase In Total Retail Operating Revenue
Municipals									
GAINESVILLE REGIONAL UTILITIES	10,330	(1.0%)	50,030	3.2%	$33,152,819	4.7%	$.0659	$60,199,929	7.1%
JACKSONVILLE ELECTRIC AUTHORITY	13,092	1.8%	244,519	3.4%	$205,704,086	(4.0%)	$.0651	$444,607,725	(3.8%)
CITY OF LAKELAND	12,864	3.1%	65,363	3.4%	$60,209,953	3.0%	$.0732	$112,523,273	3.0%
ORLANDO UTILITIES COMMISSION	11,985	(1.9%)	92,006	3.9%	$90,539,090	10.9%	$.0742	$194,039,634	9.0%
CITY OF TALLAHASSEE	11,547	1.6%	56,450	3.3%	$50,435,537	8.2%	$.0774	$112,642,132	8.1%
Cooperatives									
CLAY ELECTRIC	11,244	2.0%	88,580	4.0%	$84,738,761	2.3%	$.0870	$110,090,351	1.6%
LEE COUNTY ELECTRIC	10,202	6.3%	90,917	4.7%	$77,933,956	(2.7%)	$.0838	$116,982,713	(2.7%)
WITHLACOOCHEE RIVER ELECTRIC	9,773	3.4%	101,442	6.2%	$82,150,740	3.7%	$.0829	$110,106,815	3.5%

* UTILITIES COVERED BY PURPA
NOTE: ABOVE REVENUES INCLUDE FUEL. PARENTHESES DENOTE NEGATIVE AMOUNT.

National Electric Safety Code Variances - 1987

National Electric Safety Code Variances Found in 1987 (for construction since 7/1/86)

Variance Categories / Utility Type:	INVESTOR OWNED	MUNICIPAL	COOPERATIVE	TOTAL
A. Grounding				
1. Curcuit or transformer not grounded	15	17	3	35
2. Riser not grounded	48	49	3	100
3. Ground rod above ground level	20	24	10	54
4. Ground wire not snug to pole	15	12	9	36
5. Poor ground--butt plate or wire wrap only	0	4	0	4
6. Exposed ground wire on pole	6	2	0	8
7. Abandoned ground rod	1	2	0	3
8. Ground conductor vandalized or broken	0	3	0	3
9. Static wire not grounded	0	1	0	1
10.Street light bracket not grounded	7	0	2	9
11.CATV or Communication riser not grounded	1	4	1	6
(subtotal)	113	118	28	259
B. Guying				
1. No guy guards	16	40	41	97
2. Guy wire not grounded	14	86	3	103
3. Loose or broken guy wire	1	3	2	6
4. Abandoned anchors	6	4	1	11
5. Communication or CATV guy not grounded	13	5	0	18
6. No guy guard(CATV or Communications)	1	3	0	4
(subtotal)	51	141	47	239
C. Substations				
1. Substation fence gap at the bottom	7	1	0	8
2. Substation fence not grounded	1	1	1	3
3. No warning sign on substation	2	2	0	4
4. Inadequate fence height or barbed wire	2	0	0	2
5. Gate left open	1	0	0	1
(subtotal)	13	4	1	18
D. Clearances				
1. Service too low	9	18	7	34
2. Primary line too low	3	3	0	6
3. Service Clearance to T.V. Antenna	0	0	1	1
4. Communication or TV cable too low	2	4	6	12
5. Primary Lines too close to cable TV	5	1	2	8
6. Primary lines too close to communications cable	4	3	4	11
7. Secondary clearance to CATV or Communications	0	3	0	3
(subtotal)	23	32	20	75
E. Padmount transformers				
1. Padmount not stable(erosion)	38	11	26	75
2. Padmount installation unlocked	4	3	22	29
3. Padmount or pedistal lock broken	0	2	1	3
4. Padmount-- bolt missing or loose	11	4	3	18
5. No warning sign on padmount	11	8	2	21
6. Padmount lock not sufficient	0	0	1	1
7. ug cable or stubup exposed	1	1	0	2
8. vault not locked	1			1
9. exposed wires in vault	1			1
(subtotal)	67	29	55	151
F. Miscelianeous				
1. Poles too close to curb	0	3	0	3
2. Underground neutral not connected	0	0	1	1
3. Improper use of pole by customer(s)	0	0	1	1
4. Street light bracket bolt missing	0	0	1	1
5. Pole or equipment abandoned	1	2	0	3
(subtotal)	1	5	3	9
Totals	268	329	154	751

Investor-Owned Natural Gas Utilities

OPERATING STATISTICS 1987*

COMPANY	GROSS PLANT IN SERVICE	OPERATING REVENUE	OPERATING REVENUE DEDUCTION	NEW OPERATING INCOME	END OF YEAR NUMBER OF CUSTOMERS
City Gas	$68,360,229	$39,508,568	$35,683,779	$ 3,824,789	75,824
FL Pub.Util.	27,156,038	24,541,182	23,270,920	1,300,262	34,364
Peoples Gas	204,000,033	197,000,802	183,000,297	14,000,505	168,502
All Others	63,911,457	72,865,406	69,700,238	3,165,168	65,527
TOTALS	$363,427,757	$333,945,958	$311,655,234	$22,290,724	344,217

*All Data Unaudited

Gas Utilities – Residential Service

INVESTOR-OWNED GAS UTILITIES
TYPICAL BILL COMPARISON *
RESIDENTIAL SERVICE
DECEMBER 31, 1987

UTILITY	Minimum Bill or Customer Charge	THERMS						
		10	20	30	40	50	75	100
CENTRAL FLORIDA GAS CORP.	$3.00	$9.49	$15.99	$22.48	$28.97	$35.47	$51.70	$67.93
CITY GAS COMPANY OF FLORIDA	$6.00	$11.08	$16.16	$21.24	$26.31	$31.39	$44.09	$56.78
FLORIDA PUBLIC UTILITIES	$6.00	$10.86	$15.71	$20.57	$25.43	$30.28	$42.43	$54.57
GAINESVILLE GAS COMPANY	$6.00	$10.57	$15.15	$19.72	$24.29	$28.87	$40.30	$51.73
WEST FLORIDA NATURAL GAS	$6.00	$10.16	$14.32	$18.49	$22.65	$26.81	$37.22	$47.62
INDIANTOWN GAS COMPANY	$5.00	$8.30	$11.60	$14.90	$18.20	$21.51	$29.76	$38.01
MILLER GAS COMPANY	$6.00	$12.05	$18.11	$24.16	$30.21	$36.26	$51.40	$66.53
PEOPLES GAS SYSTEM, INC.	$6.00	$10.96	$15.92	$20.89	$25.85	$30.81	$43.21	$55.62
PLANT CITY NATURAL GAS CO.	$3.00	$8.64	$14.28	$19.92	$25.56	$31.19	$45.29	$59.39
ST.JOE NATURAL GAS COMPANY	$3.00	$5.89	$8.78	$11.66	$14.55	$17.44	$24.66	$31.88
PALM BEACH COUNTY UTILITIES	$5.00	$11.29	$17.58	$23.87	$30.16	$36.45	$52.17	$67.90
SOUTH FLORIDA NATURAL GAS CO.	$5.00	$11.81	$18.63	$25.44	$32.25	$39.06	$56.09	$73.13
SOUTHERN GAS COMPANY	$5.00	$9.95	$14.91	$19.86	$24.81	$29.77	$42.15	$54.53

*Excluding Local Taxes / DECEMBER 1987 - GAS COSTS ARE INCLUDED

Gas Utilities – Commercial Service

INVESTOR-OWNED GAS UTILITIES
TYPICAL BILL COMPARISON *
COMMERCIAL SERVICE
DECEMBER 31, 1987

UTILITY	Minimum Bill or Customer Charge	THERMS 30	50	70	90	150	200	300
CENTRAL FLORIDA GAS CORP.	$3.25	$15.69	$23.99	$32.29	$40.58	$65.47	$86.21	$127.69
CITY GAS COMPANY OF FLORIDA	$12.00	$25.19	$33.99	$42.78	$51.58	$77.97	$99.96	$143.93
FLORIDA PUBLIC UTILITIES	$6.00	$21.17	$31.28	$41.40	$51.51	$81.85	$107.14	$157.70
GAINESVILLE GAS COMPANY	$10.00	$20.74	$27.90	$35.06	$42.22	$63.70	$81.59	$117.39
WEST FLORIDA NATURAL GAS	$15.00	$26.43	$34.04	$41.66	$49.28	$72.13	$91.17	$129.25
INDIANTOWN GAS COMPANY	$10.00	$19.76	$26.27	$32.78	$39.29	$58.82	$75.09	$107.63
MILLER GAS COMPANY	$12.00	$25.90	$35.16	$44.42	$53.69	$81.48	$104.63	$150.95
PEOPLES GAS SYSTEM, INC.	$16.00	$30.06	$39.44	$48.81	$58.19	$86.31	$109.75	$156.62
PLANT CITY NATURAL GAS CO.	$8.00	$20.97	$29.61	$38.25	$46.90	$72.83	$94.44	$137.65
ST.JOE NATURAL GAS COMPANY	$5.00	$13.78	$19.63	$25.49	$31.34	$48.90	$63.53	$92.80
PALM BEACH COUNTY UTILITIES	$10.00	$26.54	$37.57	$48.60	$59.62	$92.71	$120.27	$175.41
SOUTH FLORIDA NATURAL GAS CO.	$8.00	$22.90	$32.83	$42.76	$52.69	$82.48	$107.31	$156.97
SOUTHERN GAS COMPANY	$10.00	$24.75	$34.58	$44.41	$54.25	$83.74	$108.32	$157.48

*Excluding Local Taxes / DECEMBER 1987 - GAS COSTS ARE INCLUDED

Gas Utilities - Industrial Service

INVESTOR-OWNED GAS UTILITIES
TYPICAL BILL COMPARISON *
INDUSTRIAL SERVICE
DECEMBER 31, 1987

UTILITY	Minimum Bill or Customer Charge	THERMS 400	500	600	700	800	900	1000
CENTRAL FLORIDA GAS CORP.	$13.00	$146.80	$180.25	$213.70	$247.15	$280.60	$314.05	$347.50
CITY GAS COMPANY OF FLORIDA	$12.00	$187.91	$231.89	$275.87	$319.84	$363.82	$407.80	$451.78
FLORIDA PUBLIC UTILITIES	$17.00	$181.21	$222.27	$263.32	$304.37	$345.43	$386.48	$427.54
GAINESVILLE GAS COMPANY	$10.00	$153.19	$188.98	$224.78	$260.58	$296.37	$332.17	$367.97
WEST FLORIDA NATURAL GAS	$50.00	$184.49	$218.12	$251.74	$285.36	$318.99	$352.61	$386.23
INDIANTOWN GAS COMPANY	$10.00	$140.18	$172.72	$205.27	$237.81	$270.36	$302.90	$335.45
MILLER GAS COMPANY	$12.00	$197.27	$243.59	$289.90	$336.22	$382.54	$428.86	$475.17
PEOPLES GAS SYSTEM, INC.	$25.00	$199.56	$243.20	$286.85	$330.49	$374.13	$417.77	$461.41
PLANT CITY NATURAL GAS CO.	$22.00	$178.67	$217.84	$257.01	$296.18	$335.34	$374.51	$413.68
ST.JOE NATURAL GAS COMPANY	$20.00	$145.58	$176.98	$208.37	$239.77	$271.16	$302.56	$333.95
PALM BEACH COUNTY UTILITIES	$25.00	$248.91	$304.89	$360.86	$416.84	$472.82	$528.80	$584.77
SOUTH FLORIDA NATURAL GAS CO.	$8.00	$206.62	$256.28	$305.93	$355.59	$405.24	$454.90	$504.55
SOUTHERN GAS COMPANY	$20.00	$214.17	$262.71	$311.25	$359.79	$408.33	$456.87	$505.42

*Excluding Local Taxes / DECEMBER 1987 - GAS COSTS ARE INCLUDED

Gas Utilities - Miscellaneous Charges

GAS UTILITIES
MISCELLANEOUS CHARGES
DECEMBER 31, 1987

UTILITY	Initial Connection(1)	Normal Reconnection(2)	Violation Reconnection(3)	Collectio Charge(4)
CENTRAL FLORIDA GAS CORP.	$16.50	$16.50	$16.50	$.00
CITY GAS COMPANY OF FLORIDA	$6.50	$6.50	$6.50	$.00
FLORIDA PUBLIC UTILITIES	$15.00	$15.00	$15.00	$.00
GAINESVILLE GAS COMPANY(5)	$10.00	$10.00	$10.00	$10.00
INDIANTOWN GAS COMPANY	$4.00	$4.00	$5.00	$.00
MILLER GAS COMPANY	$8.00	$8.00	$8.00	$.00
PALM BEACH COUNTY UTILITIES	$9.00	$9.00	$9.00	$.00
PEOPLES GAS SYSTEM, INC.(6)	$15.00	$15.00	$15.00	$10.00
PLANT CITY NATURAL GAS CO.	$15.00	$15.00	$15.00	$.00
ST.JOE NATURAL GAS COMPANY	$10.00	$10.00	$10.00	$.00
SOUTH FLORIDA NATURAL GAS CO.	$7.00	$7.00	$7.00	$.00
SOUTHERN GAS COMPANY	$25.00	$25.00	$25.00	$.00
WEST FLORIDA NATURAL GAS	$20.00	$20.00	$20.00	$.00

(1) Intial connection to an establishment never having prior service.
(2) Connection of service to an establishment having had prior service.
(3) Connection of service to a customer who has been disconnected due to a violation of Commission rule/regulation, i.e., non-pay, meter tampering, bad check, etc.
(4) A collection charge is made in the event a service representative visits the premises for the purpose of discontinuing service for non payment of a delinquent account, and the customer pays or arranges to pay the past due amount in lieu of service interruption.
(5) Residential only, all others $40.00 except Collection Charge.
(6) Residential only, all others $25.00 except Collection Charge.

Gas Utilities - Growth & Use Statistics

INVESTOR-OWNED
GAS UTILITIES
GROWTH AND USE STATISTICS
DECEMBER 31, 1987

UTILITY	Average Residential Consumption for 1987	Percent Gain in Average Residential Consumption	Residential Customers as of Dec.31,1987	Percent Gain in Residential Customers	Residential Revenues for 1987	Percent Gain in Residential Revenues	Average Residential Revenue Per Therm Sold	Total Retail Operating Revenue	Percent Increase In Total Retail Operating Revenue
CENTRAL FLORIDA GAS CORP.	300	(13.5%)	5,384	8.1%	$1,098,554	12.3%	$.6799	$17,329,969	19.1%
CITY GAS COMPANY OF FLORIDA	269	(2.5%)	72,722	1.7%	$14,868,004	1.8%	$.7709	$39,508,568	10.2%
FLORIDA PUBLIC UTILITES	306	2.3%	31,697	1.2%	$6,755,784	7.0%	$.7052	$24,571,182	5.9%
GAINESVILLE GAS COMPANY	449	8.5%	16,322	.8%	$4,476,449	8.7%	$.6140	$12,562,480	8.2%
INDIANTOWN GAS COMPANY	301	.3%	522	3.2%	$82,672	5.2%	$.5357	$977,722	(3.8%)
MILLER GAS COMPANY	228	(3.8%)	4,604	(1.0%)	$982,971	(2.3%)	$.9353	$2,304,057	46.0%
PALM BEACH COUNTY UTILITIES CORP.	193	.5%	2,253	(1.7%)	$394,009	1.6%	$.9700	$826,155	6.1%
PEOPLES GAS SYSTEM, INC.	269	3.1%	149,380	.1%	$30,572,645	12.7%	$.7605	$197,802,466	17.3%
PLANT CITY NATURAL GAS CO.	256	(1.5%)	838	4.8%	$143,363	8.9%	$.7077	$2,578,730	14.9%
ST.JOE NATURAL GAS COMPANY	432	11.9%	2,472	3.5%	$398,221	12.5%	$.3804	$4,816,721	22.9%
SOUTH FLORIDA NATURAL GAS CO.	300	.0%	3,208	2.3%	$820,268	9.5%	$.8830	$1,788,164	16.8%
SOUTHERN GAS COMPANY	256	4.9%	3,629	1.7%	$675,010	3.0%	$.7260	$13,000,081	17.2%
WEST FLORIDA NATURAL GAS COMPANY	423	13.4%	19,809	10.1%	$4,878,167	22.0%	$.5827	$16,318,819	12.9%

NOTE: Above revenues include fueNOTE: ABOVE REVENUES INCLUDE FUEL. PARENTHESES DENOTE NEGATIVE AMOUNT.